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Weekend FT

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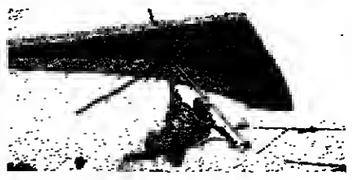

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EUROPE'S BUSINESS NEWSPAPER

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Weekend September 28/September 29 1991

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THE UNIVERSITY OF WARSAW SERIALS DIVISION

WORLD NEWS

Iraqi N-arms plans were 'aided by 10 companies'

About 10 companies from various countries recently provided equipment and technical advice for Iraq's nuclear weapons programme, according to David Kay, head of the UN nuclear inspection team.

Mr Kay was speaking from a telephone outside Iraq's national atomic energy headquarters in Baghdad, where he and his team have been detained since Tuesday. Page 3

Labour debating point

Britain's party conference season opens next week, with the prospect that Labour will launch a national debate on electoral reform. Page 22; Further blow to left expected, Page 4; Moment of truth for Kinnock, Page 6

Yugoslav pull-out

Yugoslavia's federal army continued withdrawing from strategic military bases in Croatian, while the latest ceasefire seemed to be holding despite sporadic gunfire. Page 2

Parents' charter

UK education secretary Kenneth Clarke launched a "parents' charter" promising frequent, independent inspection of schools. Page 4

Philippines fighting

Communist guerrillas virtually wiped out an army patrol in the northern Philippines, killing 22 soldiers. They were among 30 killed in a series of co-ordinated attacks only days after the rebels called off a unilateral ceasefire.

French farmers mobilise

French farmers are set to take to the streets of Paris in their tens of thousands tomorrow to demand action on falling prices and growing imports from eastern Europe.

Typhoon hits Japan

Typhoon Mireille hit western Japan, killing at least 17 people, injuring more than 300 and blacking out over 4m homes. Air, land and sea traffic was paralysed.

Dalai Lama mobbed

The Dalai Lama, exiled god-king of Tibet, was greeted by 15,000 Buddhist followers when he arrived in Mongolia.

London hospital crisis

The Royal Brompton National Heart and Lung Hospital in London warned it might have to cut services to avoid overspending its budget by up to £2m this year.

Motorway crash kills 5

Five people died and six were injured when six vehicles collided in heavy rain on the M25 London orbital motorway.

Sparkling prospect

This year's champagne promises to be another superb vintage, says leading producer Moët & Chandon. Picking has just started on what should be a third successive high quality crop. Page 2

Ryder Cup opens

Europe's attempt to retain golf's Ryder Cup got off to a shaky start at the Kiawah Island course, South Carolina, when the team lost three of the four opening matches against the US. Weekend FT, Page XI

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BUSINESS SUMMARY

Runways at London City airport to be extended

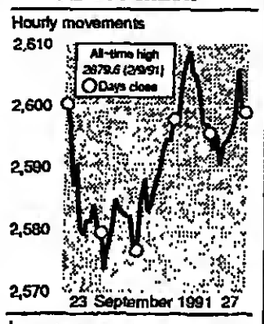
Loodon's City airport will be able to service all Europe and aims to break even by 1994 or 1995 after winning epproval to extend its runway for use by BAe 146 "whisper jets".

Approval, by Michael Heseltine, the environment secretary, for the controversial plan is a fillip for the bard-pressed airport in London Docklands. The airport has made an £11m operating loss since opening in October 1987. Extending the runway will cost £7m. Page 22

UK EQUITIES: The final minutes of trading yesterday saw the FT-SE Index close one point short of 2,600, an elusive target over the past month. Over the week, UK equities have shed 1.3 points on the FT-SE scale as the big investment institutions have backed away from equities after poor company reports. London stocks, Page 13

FT-SE 100 Index

Hourly movements



BANKING: Helmut Schlesinger, president of the Bundesbank, remains uncompromising on the need for a stable D-Mark and low inflation as the EC moves towards a common monetary policy. Page 2

JAPAN: economic indicators point to a further slowdown in economic growth and a steady easing in inflationary pressures. Page 3

EUROPEAN COMMISSION is believed to be considering a probe of plans by the Italian government to put more than $3.0bn (£1.7bn) into Fiat SpA, Italy's leading carmaker and industrial giant. The cash would help Fiat build factories and research centres, creating up to 33,000 jobs in the south, rather than increasing output.

UK AUDITS: companies will be required to tell shareholders what they pay accountants for non-auditing services such as management consultancy.

UK ECONOMY: companies' gross trading profits rose by 4.3 per cent in the second quarter. Page 5

BRENT WALKER, leisure group, put new terms to its bondholders in a last attempt to avoid liquidation. Bondholders were offered the chance to swap their bonds for a special form of debt security. Page 9

TAKARE, UK nursing home group, is seeking to raise £60.2m by issuing shares and debenture stock to fund a building programme. Page 8

OLIVETTI, Italian computers and office equipment group, reported L73.7bn ($58.5m) first half pre-tax loss, after a L60.9bn profit in the same period in 1990. Page 10

SOLVAY, Belgian chemicals group, saw consolidated profits fall by 15 per cent in the first half, and warned that 1991 profits would not match last year's BFr15.9bn (£264m).

Bush ready for further nuclear arms cuts

US PRESIDENT George Bush was last night poised to urge deep cuts in US-Soviet nuclear arsenals, including abandonment of plans to deploy the 10-warhead MX missile on rail cars.

The proposals, due to be unveiled in a nationwide televised address, mark the first sign that Mr Bush is prepared to make major changes in US defence strategy after the failed Kremlin coup.

Mr Bush faces growing pressure in Congress to cut the $300bn (£172bn) annual US defence budget in response to the rapid decline in Soviet military threat.

His speech last night also appeared to be driven by uncertainty about the fate of more than 30,000 nuclear warheads in the Soviet Union and the disintegration of central authority there.

US allies were notified in advance of the US proposals in contrast to 1986 when President Reagan came close at Reykjavik to negotiating a 10-year phasing out of long-range nuclear missiles with President Mikhail Gorbachev

The UK was last night expected to welcome Mr Bush's announcement as a potential turning point, but to emphasise that Britain's defence would continue to be based on adequate conventional and nuclear forces.

Mr John Major, the UK prime minister, who spoke by telephone to Mr Bush, is likely to give further details on Britain's reaction over the weekend and to call for an imaginative response from Mr Gorbachev.

Because Mr Bush appears to be keen on a step-by-step approach towards eventual elimination of multiple nuclear warheads, Britain's Trident submarine deterrent does not appear to be in any immediate doubt.

Speaking hours before his Oval Office address, Mr Bush said that his proposals would have "major worldwide implications for world peace".

The proposed cuts would go beyond the 25 to 30 per cent reduction in long-range nuclear weapons agreed under the recent Start agreement.

The treaty is still to be submitted to the US Senate for approval. But Mr Bush's speech suggests that the administration has overcome its initial doubts and is determined to "lock-in" still further nuclear weapons reductions.

In the speech, Mr Bush was expected to drop plans to mount up to 50 MX intercontinental missiles on rail cars in the US, and to call on the Soviet Union to take its own SS-24 multi-warhead missiles off rail-cars.

Mr Bush was also reported yesterday to be ready to drop long-standing US opposition to naval arms control. The US enjoys a significant advantage in sea-launched cruise missiles, which are difficult to detect, but it may now be willing to discuss limits, according to the Washington Post.

Since the failure of the Kremlin coup against Mr Gorbachev, the US has accelerated its review of national security strategy in the post-Cold War era.

The Pentagon has already signalled its willingness to eliminate short-range nuclear missiles and nuclear artillery in Europe. This is due to be discussed by Nato allies in the next two months.

However, European allies, notably Britain, insist that the US maintain a "sub-strategic" nuclear capability to maintain a credible deterrent in defence of the Continent.

Hungry for change: Romanian miners share out food before joining a protest march

Romanian miners stage fresh protests

By Judy Dempsey in Vienna

ROMANIAN MINERS clashed with security forces on the streets of Bucharest last night, demanding the resignation of President Ion Iliescu, a freeze on price rises and higher wages.

The latest round of disturbances came only hours after negotiations between miners' leaders and Mr Iliescu, whose political future appears to be in the hands of the miners.

The 5,000-strong crowd, many of them local workers organised by trade unions, shouted "assassins" and chanted anti-communist slogans. They repeatedly regrouped to confront the police.

Earlier, Mr Miron Cosma, the miners' leader, emerged after talks with Mr Iliescu saying that the Romanian president had fulfilled all the miners' demands, including an end to austerity measures.

Some of the protesters boarded trains to leave the capital but several thousand remained, demanding Mr Iliescu's resignation.

In an apparent attempt to regain the initiative, Mr Cosma

Continued on Page 22

Running for cover, Page 2

Book price war looms in Britain

By Raymond Snoddy

A PRICE war in the British book business seemed inevitable last night as Mr Terry Maher's Dillons bookstore chain cut 25 per cent off the price of 20 titles including half the Booker Prize list. Publishers immediately responded by taking legal action.

The discounted books that were on sale in Dillons branches all over the UK yesterday included Time's Arrow by Martin Amis, Edward Shevardnadze's The Future Belongs to Freedom and Alex Comfort's New Joy of Sex.

The Dillons discounting campaign, backed by television advertising, is the biggest challenge mounted by Mr Maher against the net book agreement (NBA), the voluntary agreement between publishers which sets minimum prices for most books.

Last night the High Court granted an interim injunction banning Dillons from discounting four books on the list published under the NBA. These include two Booker titles – the Amis novel and Such a Long Journey by Rohinton Mistry published by Faber & Faber – and two books published by Sinclair-Stevenson, the Shevardnadze work and Murther and Walking Spirits by Robertson Davies.

Discounting of the remaining 16 – including one Booker contender Roddy Doyle's The Van – will continue indefinitely. They have all been published outside the NBA by imprints owned by Reed international, the first big publishing group to bypass the NBA.

The Terry Maher strategy put immediate pressure on rival bookshop chains such as Waterstones, which is owned by W. H. Smith. Mr Tim Waterstone, who runs Waterstones, said yesterday he still believed in the NBA.

Continued on Page 22

Collins court case, Page 4

Looters in Zaire thank Mobutu for the party

By Julian Ozanne in Kinshasa

THE IMPOVERISHED people of Kinshasa in Zaire pillaged their city this week with an enthusiasm symbolised by the slogan on the front of the gutted General Motors showroom: *Merci pour la fête*, it reads – thank you for the party.

Zairean policemen and soldiers in stolen Ray-Ban sunglasses watch idly from street corners, unable or unwilling to stop the relentless wreckage.

Little remains of the commercial centre of Kinshasa. Only the big banks and a few offices protected by French and Belgian soldiers are unscathed.

Thick coats of oil cover the road into the industrial areas of the capital. Skeletons of cars lie strewn by the roadside and across the railway tracks, stripped of wheels, seats, engines and instruments.

Almost every factory has been smashed to pieces, their gates torn down, and papers and the wreckage of typewriters and photocopying machines strewn in the factory courtyards.

"What they couldn't steal they tried to pick to pieces, what they couldn't pick to pieces, they vandalised and trashed," said Mr Robert Moore, manager of a British-owned factory producing sewing thread.

Mr Moore, who lost everything except the clothes he was wearing in the looting on Monday night, was standing outside his factory, which had been stripped of all the stock, machinery, furniture, and electrical fittings.

At his house plants lay thrown on the floors. Looters had even taken away even the pots. A pile of rubble was all that was left of a modern bathroom, after the drunken mob carried away his bath, toilet and basin.

"I don't know any European who hasn't lost something or everything," said Mr Moore. "People were still carrying things when French commandoes were firing over their heads. They were like ants."

Some have suffered more than loss of their property. Col A. De Smet, the commander of the Belgian paratroopers who along with their French counterparts intervened this week, confirmed that two European women, a Dane and an Italian, had been raped by mutinous soldiers in the first 24 hours of the eruption of violence.

French doctors in the capital estimate that, after four days of violent rioting, at least a hundred people have died and more than a hundred have been wounded.

Europeans and other foreigners, assisted by the paratroopers, continued pouring out of Kinshasa yesterday. Several hundred, carrying small suitcases, huddled behind iron gratings at the pier, waiting for the ferry to take them across the Zaire river to the neighbouring Congolese capital Brazzaville.

Mothers cradled their babies in their arms and many people tried to take their cats and dogs with them.

Continued on Page 22

BLUE CHIP

The recent recession has exposed the weaknesses of many of the high flyers of the 1980s. But certain companies have continued to prosper. Companies with the resources, capital, spread of business and, above all strength and depth of management to weather the bad times and prosper in the good.

Mercury British Blue Chip Fund aims to identify and invest in companies like these.

As Britain's biggest fund management company, responsible for more than £35 billion of client investments, Mercury is well-equipped to do just this. With one of the UK's largest and most experienced investment teams, we have frequent meetings with the top management of major British companies.

This blue chip approach to investment is reflected in the results achieved. Mercury British Blue Chip Fund's record of outperformance has put it in the top quartile of all UK growth funds* over the past 1, 2, 3 and 4 years, and since launch in May 1987.

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MARKETS

STERLING
New York lunchtime:
$1.7395
London:
$1.7375 (1.733)
DM2.8125 (2.815)
FFr9.925 (9.935)
SFr2.535 (2.54)
Y231.75 (231.5)
£ index 91.0 (90.9)

GOLD
New York: Comex Dec
$352.4 (354.1)
London:
$348.85 (351.95)

N SEA OIL (Argus)
Brent Nov
$21.175 (+0.45)

Chief price changes yesterday: Page 22

DOLLAR
New York lunchtime:
DM1.6745
FFr5.7045
SFr1.458
Y133.3
London:
DM1.677 (1.6825)
FFr5.7125 (5.7325)
SFr1.4595 (1.465)
Y133.5 (133.5)
$ index 64.8 (same)
Tokyo close: Y133.82

US LUNCHTIME RATES
Fed Funds: 5¼%
3-mo Treasury Bills: 5.273%
Long Bond: 103¼
yield: 7.835%

STOCK INDICES
FT-SE 100:
2,599.0 (+3.4)
FT Ordinary:
2,018.9 (-6.3)
FT-A All-Share:
1,257.47 (same)
New York lunchtime:
DJ Ind. Av.
3,022.81 (+5.59)
S&P Comp
387.93 (+1.44)
Tokyo: Nikkei
23,989.47 (+1.39)

LONDON MONEY
3-month interbank:
10 5/32% (10⅜)
Liffe long gilt future:
Dec 96 (95 31/32)

SELLING PRICE IN IRELAND 60p. IN MALTA 45c

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Bundesbank chief pledges stable D-Mark

By Andrew Fisher in Frankfurt

MR Helmut Schlesinger, president of the Bundesbank, yesterday took an uncompromising stand on the need for a stable D-Mark and low inflation in the interests of Germany and Europe as the EC moves towards a common monetary policy.

He also raised a delicate political issue by saying other EC central banks should become fully independent of their governments before rather than after a European central bank is set up. He did not mention the UK, whose government has made no move to give the Bank of England greater independence. The Bundesbank's autonomy is guaranteed by law.

Reasserting his firm line on domestic inflation, Mr Schlesinger said it was the German central bank's "most urgent task" to put the D-Mark back on to a path of stability. Thus he made clear the Bundesbank would not be deflected from its tight monetary policies.

German inflation recently exceeded 4 per cent, prompting the Bundesbank to raise interest rates. In September, it slipped to an annual 3.9 per cent, but the Bundesbank is concerned about future wage deals and the value added tax rise planned for 1993. Mr Schlesinger said the D-Mark had to be kept stable and attractive internationally as it was the second most important reserve currency.

"A reduction of the upward movement of prices in Germany to about 2 per cent per annum is essential, and not only for domestic reasons; we also wish to contribute to the establishment of a Europe which is oriented towards stability," he said.

Speaking at a banking conference, Mr Schlesinger said a future European central banking system must not be subject to exchange rate targets. Exchange rate policy, such as currency market intervention or the use of interest rates, must be decided by the European central bank only.

"It must, therefore, be guaranteed that a stability-oriented policy on the part of the [European] central bank is not undermined by the exchange rate policies of governments and EC bodies."

He admitted: "There has so far been no strong support for this primarily German position." But a recent Bonn parliamentary hearing showed it was shared by most political and social groups in Germany.

On the question of central banks' independence, Mr Schlesinger said government bodies should prove they could refrain from giving orders to their central banks. "Portugal and Italy have already taken steps to make their central banks more independent, a move which is very welcome."

Romania's economic reformers run for cover

Judy Dempsey explains the fall of the Bucharest government

ATTEMPTS by any new Romanian government to introduce radical economic and political reforms are likely to fail because the miners and other workers are too strong, and the country's democratic traditions too weak, according to Romanian liberals.

They say no coalition government will risk reforming the economy – crucial for attracting foreign investment – because the political climate will give no government the mandate to steer the country towards democracy and a market economy.

The combination of these circumstances led to the fall of Mr Petre Roman's government, following his attempts to introduce price reform, implement a radical privatisation package, and reduce subsidies for the country's loss-making industries.

The opposition to Mr Roman's reforms started in May 1990, when the National Salvation Front, which was catapulted into power following the violent overthrow of the Ceaușescu regime in December 1989, won the elections.

Its election campaign, spearheaded by Mr Ion Iliescu, a former ideology chief under Mr Ceaușescu, promised workers that their living standards would be protected.

Yesterday, miners reminded Mr Iliescu that he had broken that promise. That message contrasted sharply with the election programme of the opposition National Peasant party, and Liberal party, both of which promised to introduce market reforms.

Both opposition parties won less than 5 per cent of the vote, while the NSF secured a landslide victory. Once in power, Mr Roman, along with a handful of technocrats, tried to steer the country away from the highly centralised communist-controlled economy.

Each attempt at reform was blocked by the ruling NSF, which as a party, provided a safe-house for former communists. Any reforms would have eroded the gargantuan bureaucracy and the privileges held by former communists, as well as raising the prospect that the NSF would lose the elections which were scheduled to later this year.

"Mr Roman had tried to distance himself from the populist policies of the NSF," a Romanian economist said yesterday. "But the more he tried to introduce reforms, the more the NSF tried to sabotage them. Roman had no support."

As head of the government, Mr Roman failed to woo over the intellectuals, many of whom belong to the Group of Social Dialogue, and the broad-based Civic Alliance.

For instance, he failed to marginalise the extreme right-wing press, including the mass circulation weekly, Romania Mare, which frequently accused the government of selling out the country to foreigners. This paper fuelled the population's latent xenophobia, anti-semitism, and anti-intellectualism, thus depriving the government of any kind of support from the media.

His critics say he also failed to persuade sections of the population that his government had made a complete break with the communist system. "Even if Roman wanted really to dismantle the Securitate [former secret police], he could not do it because the NSF was dominated by former communists," commented a member of the National Peasant party.

Romanian economists yesterday believed it would be difficult to form a stable coalition government. The opposition parties have repeatedly ruled out a coalition with Mr Iliescu as president. Besides, any new government will be loath to press ahead with reforms for fear it will be toppled by the miners.

"I do not know what the alternative is," a Romanian economist said. "There are two solutions: fresh general elections, which will give a new government legitimacy needed to bring this country into the 21st century; or, if the instability continues, a period of martial law. I expect we have not heard the end of Mr Victor Stancnlescu [the former defence minister, and outgoing minister of the economy]," he added.

Gorbachev hopeful on economic union

By Leyla Boulton in Moscow, Gillian Tett in Riga and Chrystia Freeland in Kiev

PRESIDENT Gorbachev yesterday expressed optimism that republics would sign an economic union treaty next month amid widespread doubts that such a treaty could be concluded quickly or implemented even if signed.

Mr Gorbachev said he hoped the treaty would be signed in Alma-Ata in the first 10 days of October. This suggests that a meeting of republican leaders scheduled for Tuesday in the Kazakh capital, which already appeared to be in doubt because of a shortage of high-level politicians willing or able to attend, may at least be postponed.

Mr Boris Yeltsin, the Russian president, is resting in the southern resort of Sochi until October 10. Lithuanian President Vytautas Landsbergis has already turned down an invitation to the summit; the Estonians are unlikely to send a high-ranking representative; but Mr Ivar Godmanis, the Latvian prime minister, has accepted. The Ukraine said it would send its prime minister, Mr Vitold Fokin.

Meanwhile experts from 12 Soviet republics were last night working on a final draft for a treaty as the plan's chief architect, Mr Grigory Yavlinsky, flew yesterday to London for a meeting with Mr John Major, the British prime minister, responsible for co-ordinating Group of Seven assistance for Soviet economic reforms.

The experts have already reached broad agreement on some of the most important issues, such as setting up a US Federal Reserve-style central banking system, and on the need to contribute to a common budget. But Mr Sergei Alexashenko, one of the economists at the talks, said there was no chance now that the republics would give union authorities any power to raise taxation or to curb the union budget deficit, expected to reach reach Rbs200m (£68m) by the end of September.

Confusion in Tbilisi

By Neil Buckley in Tbilisi

THE atmosphere switched from tension to confusion in Tbilisi yesterday as signs emerged of a split in the opposition to Georgia's President Zviad Gamsakhurdia.

After a night of anxiety during which shooting was heard several times by the opposition headquarters at Georgia's television centre – apparently the result of panic among rebel troops expecting a government attack – many moderate deputies were pressing for the withdrawal of rebel national guard units.

Mr Nodar Natadze, president of the Georgian Popular Front, said this would lessen the threat of violence and enable talks with the government.

Mr Tengiz Kitovani, commander of the rebel units, opposed the idea, and other deputies such as Mr Irakli Shengulia, leader of the Christian Democratic Union, warned that the opposition should not divide.

Opposition leaders were meeting last night to consider fresh approaches to Mr Gamsakhurdia, reiterating their declaration that they would withdraw their troops if they received a guarantee from the president that he would also remove government troops from the capital.

A woman holds a candle during a peace demonstration in Tbilisi yesterday

Sparkling champagne crop likely

By William Dawkins in Paris

CHAMPAGNE lovers can put down 1991 as another superb year, according to Moët & Chandon, the world's leading champagne producer.

Growers in the Champagne district of north-west France have just started to gather in what promises to be the third high-quality crop running, said Mr Yves Bénard, chairman of group. They had feared that last spring's frosts, which hit 30 per cent of champagne vineyards, might damage both quantity and quality, but an unusually long hot summer has brought the grapes to maturity in good health.

Growers expect to harvest enough grapes for 270m bottles, about the same as in the previous two years, and badly needed to replenish stocks for a recovery in consumption beginning to appear in the US, the second export market after Britain. However, world demand is still in line to fall to 200m bottles this year, from 232.4m in 1990.

French inflation falls to 3%

France's anti-inflation strategy was further consolidated in August with a 0.2 per cent increase in the monthly price index, compared with 0.4 per cent in July, the Statistical Institute reported, writes Ian Davidson in Paris.

This brings the 12-month French inflation rate to 3 per cent, lower than in any of its main trading partners. It compares with 4.1 per cent in Germany, 4.7 per cent in the UK and 3.8 per cent in the US.

Paris clears Taiwan frigates

France has authorised negotiations for the sale of six frigates to Taiwan, following a delicate diplomatic compromise to soothe Chinese opposition, writes William Dawkins in Paris.

If won, the contract would be worth FFr12bn (£1.2bn) to a French consortium led by Thomson-CSF, the defence electronics group. The vessels would be supplied to the Taiwanese yard, China Shipbuilding Corporation, without weapons, which Taiwan would obtain separately.

US consumer spending slips

Growth of US consumer spending slowed almost to a standstill last month, adding to fears that the fragile economic recovery is losing momentum, the Commerce Department reported yesterday, writes Michael Prowse in Washington.

Personnal consumption expenditure rose 0.1 per cent following increases of 0.5 per cent and 0.7 per cent in June and July. After allowing for inflation, however, consumption spending fell 0.2 per cent last month.

Yugoslav federal army pulling back

By Laura Silber in Belgrade

THE Yugoslav federal army yesterday appeared to be withdrawing from strategic military bases on Croatia's Adriatic coastline.

Croatian radio yesterday said army units were pulling out of two barracks in Split, site of the naval headquarters. Bosnian radio also reported that the army was pulling out of barracks in Rijeka, Croatia's largest port city.

The army was also withdrawing from Sinj, 17 miles inland from Split, Croatian radio said. The units would be relocated to Knin, the centre of the Serb stronghold in south-west Croatia. Army units yesterday were completing withdrawal from barracks in Vinkovci, a key railroad junction near the Serbian border.

The army has denied that is planning a total pull-out from Croatia. General Andrija Raseta, deputy commander of the fifth military district, which covers most of Croatia, told NIN, a Belgrade weekly: "First we left Slovenia, now they want the same in Croatia. Next it will be Macedonia or Bosnia. What do they want, for us to end up on Corfu?"

The army has tried to suppress reports of mass desertions by Serb reservists from the front and high casualties. But doctors at the army medical centre in Belgrade, the Serbian and federal capital, said hundreds of wounded soldiers had been hospitalised over the past week alone.

Croatia yesterday adopted a law which, in effect, bans military service for Croats in the federal army. The government of the southern republic of Macedonia yesterday called on reservists to boycott enforced mobilisation.

The fragile ceasefire agreed between the federal army and the presidents of Serbia and Croatia on Sunday yesterday appearing to be holding despite sporadic gun battles in parts of central and eastern Croatia. Serb insurgents who were not included in the latest ceasefire have nothing to gain by respecting the agreement. Belgrade radio said Croat forces yesterday attacked the army garrison in Vukovar, situated on the banks of the Danube river which marks the border with Serbia.

Despite the lull in fighting, hopes for a lasting peace seem remote. Against this background, peace campaigners yesterday paraded through Belgrade.

Their organisers said this might be the last chance to negotiate a political solution to avoid mass bloodshed.

Russian commercial banks under attack

By John Lloyd in Moscow

CHAOS reigns in Soviet banking circles, as the Soviet central bank (Gosbank) struggles to retain control of the central banks of the republics, and the biggest of these, the Russian central bank, fights to control the booming commercial sector.

A meeting this week between leaders of Russia's commercial banks and Mr Georgy Matiukhin, chairman of the Russian central bank, ended in acrimony. The bank presidents vowed to draft their own banking legislation for submission to the Russian government, to counter what they claim is Mr Matiukhin's harsh and anti-market regime.

Mr Matiukhin is under constant attack from the commercial banks to resign – a campaign which has support from the news media, and from ministers in the Russian government. However, this week he hit back at his tormentors with a series of extraordinary allegations.

The Russian bank chairman believes the commercial banks are overwhelmingly dependent on funds deposited by the now-banned Communist party or by organised crime.

"The party structures have merged with the shadow economy," he says.

Mr Matiukhin says the hostility stems from his imposition of reporting requirements on the commercial banks since taking over their supervision from Gosbank. "Our inspectors are imposing western-style regulations." They were discovering activities which were "clearly criminal".

Mr Matiukhin said the banks were:

- Laundering "billions of roubles" owned by the Communist party or by organised crime. In his view, the transfer abroad of communist money is reminiscent of the Nazis' efforts to salt away cash at the end of the war to provide for a future resurrection of the National Socialist idea.
- The nucleus of a threat to the new constitutional order. "They have acquired economic power: now they are trying to control the political power – to determine who should be ministers, who should be the leading officials."
- Flagrantly disobeying rules laid down by the central bank. "We set 25 per cent as the maximum interest rate: they charge 50 or 60 per cent: even up to 1,000 per cent a year for short-term loans.

"The people who run these banks are not professionals: they do not know how to do business. We want them to act as proper banks: to invest in the real economy. But this is not their interest."

At the union level, the republican bank chairmen are due to meet on October 15 to agree a structure for a Central Bank Council which would replace Gosbank as the guarantor of monetary stability. However, Gosbank executives believe no agreement is possible which will deliver such stability because the republican banks are under the control of their respective political leaderships, who demand continued granting of credits, forcing Gosbank to print more money.

In addition, the republican central banks are divided, with Russia insisting on "weighted" voting on the Council to give it 30 to 40 per cent of the votes.

Polish deputies agree budget cuts

By Christopher Bobinski in Warsaw

THE Polish parliament has finally approved changes in this year's budget forced by a sharp fall in tax revenues from ailing state industries.

The new budget provides for a Zl 26,000bn (£1.4bn) deficit compared with the Zl 4,300bn deficit originally approved, and includes cuts of almost 15 per cent in spending plans this year.

The month-long conflict on the budget adjustments at one point led to the resignation of the government, although it later won a vote of confidence in the Sejm.

The budget shortfall and failure to meet other targets agreed with the International Monetary Fund last spring means that Poland is unable to draw on successive tranches of a three-year facility which was to have run until April 1994.

Poland has already missed drawing a SDR 102m (£130m) tranche falling due in mid-August and the same fate is likely to befall a SDR 102m tranche due on 15 November.

Talks on new targets between Poland and the IMF will take place with a new government after parliamentary elections on October 27. Should the three-year agreement be extended beyond April 1994 as a result of the talks, Poland would be able draw on the tranches missed this year.

The IMF is also waiting for the appointment of a new chairman for Poland's central bank following the dismissal and arrest of Mr Grzegorz Wojtowicz, who was accused of negligence leading to losses to the national economy. Mr Wojtowicz's detention followed the discovery of the ART B scandal overfraudulent credit guarantees.

The budget deficit now approved is Zl 2,000bn more than the deficit figure informally agreed with the IMF last month. The additional amounts are to be spent on health and education. Pay rises for government employees, including teachers, are to be delayed.

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PRIVATE PARKING

For sale: des res on a piece of Greece

The 35 Greek islands on sale won't be cheap, **Kerin Hope** and **Vanessa Houlder** write

THE rocky Greek island set in Homer's wine-dark sea will look stunning in the brochure, but potential buyers should beware. If an Aegean island is uninhabited, it is usually for a very good reason.

The Greek government's plan to sell 35 small islands marks a startling departure from a tradition of jealously guarding the national patrimony.

It was only after fierce pressure from the European Commission that a law banning foreigners from buying property on islands designated "border regions" was revised in 1988. Even now, considerable influence is needed if you want to buy a crumbling farmhouse on the south coast of Crete or put up a hotel on an eastern Aegean island.

Acquiring a private Greek island was virtually impossible unless you were a Greek shipowner prepared to spend a considerable sum investing at home.

But with this year's budget deficit likely to total at least Dr300bn (£862m) more than forecast, the government is desperately casting around for new ways to raise revenue. Announcement of the plan has caused an outcry in parliament, but a government spokesman, while stressing that no final decision has been taken, defended its right to sell state property. Surveys and valuation of the islands were going ahead.

More than 3,700 Greek islands are scattered around the Ionian, Aegean and Cretan seas but only 200 are listed as inhabited. The real number may be smaller, as islands where a taverna opens in summer or a shepherd pastures his flock are also included.

Mr Efthymios Christodoulou, the economy minister, says the islands in question, ranging from 50 to 200 acres, are being valued and will be put up for auction. There is no official word on prices, but an Athens estate agent with one or two private islands in his portfolio says the starting price "for a smallish piece of rock not too far from the coast," would be about $4m (£2.2m).

Romance, rather than statistics, tends to colour discussion of the trade in islands. In London Knight Frank & Rutley, which believes it is the largest international agent in this market, is non-committal about the effects of the property depression.

"There is not enough of a throughput to comment," says their Mr John Inge. "Each one is different. It is not like a row of houses. But broadly speaking, very few elements of the property market have escaped the recession."

But he argues that someone buying an island now would be making a good long-term investment. "If money becomes more freely available, people become more excited. They are more likely to get carried away with the idea of owning a island."

However, buyers should also take a hard look at the practicalities. The issues include whether boats can be landed, whether materials can be shipped across to build a house, whether the winds will blow it away in winter and whether there is an adequate water supply. Owners also have to consider the responsibilities associated with the tenants, tourist attractions and wildlife on the island.

Relatively few foreigners buy property in Greece, partly because of legal and bureaucratic complexities. Title deeds, especially for island properties, can be hard to find and currency regulations are still restrictive in practice.

The Greek government has not yet produced a list of the islands for sale, though they are reported to be places that have attracted inquiries in the past. The Finance Ministry admits that most lack electricity, a water source and facilities for a luxury yacht to dock. "But that didn't deter Aristotle Onassis when he bought Skorpios. People who want to buy islands are prepared to invest heavily," says one official.

A quick check of island names that have been mentioned hints at why the Greeks left them alone. Anydros means "waterless" and Atokos "barren." The island of Fleves, close to the coast of Attica, was used as a military base during the colonels' dictatorship of the 1960s.

Who is likely to buy a Greek island? In the government's view, German and Scandinavian investors. The price of all islands on the world market range from a few hundred thousand to several million dollars. The archetypal buyer is a rich individual with homes scattered all over the world who wants a hideaway for, at most, a couple of months of the year.

However, information on the identity of island buyers is deliberately scarce. "The nature of islands is that they are private things," says Mr Inge. "There is no conflict about where boundaries end. They are very emotive things."

There is talk of turning some of the larger Greek islands on offer into naturist havens. But if seekers after seclusion are to be protected, the government will have to take additional, unpopular, measures. There are no private beaches in Greece because access to the shoreline must be free.

"The biggest problem for island-owners is having yachts mooring in your bay and speedboats landing people on your beach. It ruins your privacy and there's nothing you can do about it," says the Athens estate agent.

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Iraq given N-weapons equipment and advice 'by 10 companies'

By Bronwen Maddox and Our Middle East Staff

ABOUT 10 companies from various countries recently supplied Iraq with equipment and technical advice for its nuclear weapons programme, Mr David Kay, head of the United Nations nuclear inspection team, said yesterday.

Speaking from his carphone outside the national atomic energy headquarters in Baghdad, where he and his team have been detained by Iraqi officials since Tuesday, he said he and his colleagues were ejected from the building as they began examining financial records.

Mr Kay said he had read only small parts of the files and photocopies, mainly in Arabic, that the team were holding in their bus and five cars, but that Iraq had certainly recieved recent external advice "across most of the programme". He declined to identify Iraq's suppliers and advisers for the time being.

He said: "You can only understand the scale of the Iraqi programme if you realise that normal financial constraints just didn't apply."

Iraqi sites to enrich uranium to weapon concentrations "have Ai quality fittings, and unbelievable parallel and multiple facilities", he said. "They are brand new and way better than most US and western sites – after all those were built after the second world war."

Two parallel methods of uranium enrichment, by centrifuges and chemical extraction, could not alone have yielded weapons-grade uranium, but could have fed partly enriched uranium to electromagnetic separation facilities, a third method.

Iraq had made even more progress than he thought on design of nuclear weapons, including the complicated, shaped detonator charges. Once steady production of enriched uranium had been achieved, weapons design would not have been an obstacle, he said.

The huge amounts of electricity needed to drive the uranium enrichment equipment were easily available.

He stood by his conclusion that Iraq could have had enough weapons-grade uranium for a bomb within 18 months.

The UN Security Council and Iraq have reached an agreement in principle that the team will be released once the Iraqis receive a full inventory of the documents to be taken away, but by late yesterday there were no signs in Baghdad that the four-day-old deadlock was about to end.

Another dispute over helicopter flights by UN inspectors remained unresolved. Having earlier agreed to unrestricted flights, the Iraqi authorities have now requested a meeting in Baghdad with Mr Rolf Ekeus, who heads the UN commission charged with destroying Iraq's unconventional weapons.

The confrontation between Iraq and the UN Security Council could delay the departure for Baghdad of a UN team investigating Iraqi ballistic missiles, UN officials in Bahrain said yesterday.

Two women, one French and the other from Zaire, prepare to sail for Brazzaville after saying a tearful au revoir to the husbands they must leave behind in riot-torn Kinshasa

Japanese economy slows further

By Emiko Terazono in Tokyo

ECONOMIC indicators announced yesterday pointed to a further slowdown in Japan's economic growth and a steady easing in inflationary pressures.

Industrial production in August posted a year-on-year rise of just 0.5 per cent. On a month-on-month basis output declined 2.1 per cent, considerably more sharply than the official forecast of a month-on-month 0.3 per cent fall.

The Ministry of International Trade and Industry (Miti) said that precision instruments and plastic products were the only sectors in which production rose. Shipments for the month fell 1.1 per cent from July.

An unexpectedly sharp 9.9 per cent year-on-year rise in inventories prompted a Miti official to comment that the ministry was watching the figures "with concern". The inventory index rose 1 per cent from the previous month to 119, while the inventory-sales index ratio gained 2.3 per cent to 101.4.

Consumer prices published by the Economic Planning Agency (EPA) yesterday were also significantly lower than expected, rising 2.8 per cent year-on-year in September for the Tokyo metropolitan area, the first time in 12 months that the rise was below 3 per cent.

The agency said that declines in fresh vegetable and fruit prices had caused the slowdown. The core rate of inflation, for prices excluding perishable products, rose 3.0 per cent from a year ago. The nationwide consumer price index rose 3.3 per cent year-on-year and 0.2 per cent from the previous month.

The EPA announced at the beginning of the week that the economy had achieved the longest spell of post-war growth, and that there was no reversal in slight. Mr Russell Jones at stockbrokers UBS Phillips & Drew said that yesterday's releases suggested that the real economy was not as robust as the authorities perceived.

Moderate Arafat praises Bush stand

By Lamis Andoni in Algiers and Hugh Carnegy in Jerusalem

MR Yassir Arafat, leader of the Palestine Liberation Organisation, yesterday praised President George Bush in a further attempt to persuade his fellow Palestinians to accept a US-sponsored Middle East peace conference.

At a session of the Palestine National Council – the PLO parliament-in-exile meeting in Algiers – Mr Arafat called Mr Bush "courageous" for making encouraging remarks about Palestinian political rights during a meeting with King Hassan of Morocco in Washington.

Mr Arafat was attempting to undermine hardline arguments that the PLO will compromise Palestinian rights by authorising Palestinian participation in the peace process.

The PLO hopes that by drawing closer to US terms for a peace conference it will persuade Washington to resume the dialogue severed after an aborted seaborne raid on Israel by the radical Palestine Liberation Front in May 1990.

In another signal aimed at meeting US conditions, Palestinian officials said Mr Mohammed Abbas, the PLF leader better known as Abul Abbas, will be removed from the PLO executive committee and replaced by another member of his group.

Two senior Palestinian leaders from the Israeli-occupied territories meanwhile strongly denied that they had attended the PNC meeting, a move which Israel said could result in their prosecution for breaking anti-terrorist laws.

The issue threatened to disrupt US preparations for a peace conference as the two – Mr Faisal Husseini and Mrs Hanan Ashrawi – have been the chief Palestinian negotiators with Mr James Baker, the US secretary of state.

The issue has taken on significance as a test of the Palestinian demand that they choose their representatives to a peace conference unfettered.

● Soviet President Mikhail Gorbachev said yesterday he still hoped a Middle East peace conference could start in October and President Hosni Mubarak of Egypt said the proposed Arab-Israeli talks could last two years, Reuter reports from Moscow.

Vietnam near boat people deal

By Angus Foster in Hong Kong

BRITISH and Hong Kong officials indicated yesterday that Vietnam is moving towards accepting the forced return of boat people camped in Hong Kong and other South East Asian countries.

Vietnam has shied away from accepting forced returns since Hong Kong sent back 51 boat people against their will in 1989, leading to fierce international criticism, especially from the US.

However Britain now believes Vietnam is increasingly embarrassed by the numbers of boat people camped in the region and is frustrated at its slow progress re-establishing formal links with the US.

The development follows four days of talks between Britain, Hong Kong and Vietnam in Hanoi. In a carefully worded joint communiqué, the governments spoke of "alternative methods" to speed up the return of boat people and said: "There was agreement in principle on the need to implement measures to achieve an accelerated rate of return."

Although similar commitments have been made in the past, British and Hong Kong officials believe they are close to a breakthrough.

Hong Kong has witnessed an unusually high rate of arrivals this month, with more than 1,100 boat people reaching the colony in the last week. Most have been classified as economic migrants, who do not qualify for repatriation to third countries, rather than genuine refugees.

The European Community yesterday announced details of a package designed to convince boat people classified as economic migrants to return home and to stop further departures from Vietnam.

The package, which will cost $15m (£8.6m) in the first six months, provides loans and vocational training to returnees and those in Vietnam.

HK lawyers concerned at proposal for appeal court

By Angus Foster

HONG Kong's legal community yesterday expressed concern about the colony's proposed Court of Final Appeal, which Britain and China agreed upon in London on Thursday. The Court is being set up to replace the Privy Council, the present final appeal court, ahead of Hong Kong's 1997 return to China.

Senior Hong Kong lawyers said the agreement, which allows for a maximum of only one of the five appeal judges to come from overseas, raised questions about the quality and stature of the court. There are also concerns that China is trying to gain influence over all appointments.

Mr Simon Ip, newly elected representative of the legal profession in the Legislative Council, said Hong Kong needed the option to appoint more overseas judges, especially in the court's early stages, because too few judges in the colony were adequately qualified.

Mr Anthony Rodgers, chairman of the Hong Kong Bar Association, said the agreement also departed from the 1984 Sino-British Joint Declaration on Hong Kong's return.

Approval likely for judge despite split in committee

By George Graham in Washington

JUDGE Clarence Thomas, President George Bush's nominee for the vacant seat on the US Supreme Court, yesterday failed to win endorsement from the Senate judiciary committee, but his appointment is still expected to be approved by the full Senate.

At the beginning of his confirmation hearings three weeks ago, Mr Thomas was expected to win a narrow recommendation from the committee, but he had a rougher ride than had at first appeared likely, and the panel eventually split 7-7 on his appointment.

Civil rights advocates found it hard, as Mr Thomas's backers predicted, to attack a black nominee to the court, and he successfully stonewalled all efforts to elicit his views on abortion – probably the most divisive issue likely to come before the Supreme Court in the near future.

But in attempting to play down the significance of his past controversial speeches and writings, Mr Thomas sometimes gave the impression of someone who was willing to say whatever he thought his audience wanted to hear.

"Judge Thomas jettisoned one public statement after another like a captain trying to keep his ship afloat," complained Senator Patrick Leahy, one of the Democrats who opposed the nomination.

Nevertheless, Mr Thomas won the vote of one Democrat on the committee, Senator Dennis DeConcini of Arizona, along with those of the six Republican members. In the full Senate, he is expected to win enough votes from conservative southern Democrats to ensure confirmation.

Mr Thomas would, if confirmed, reinforce the conservative majority on the nine-member Supreme Court, although his friends have cautioned that his votes on specific issues may prove unpredictable.

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Company reporting of auditing fees to be tightened

COMPANIES WILL be required to tell shareholders how mnch they pay their accountants for ooo-auditing services such as management consultancy, under new government regulatiooe announced yesterday.

The regulations – introduced by Mr John Redwood, corporate affairs minister – are aimed at offering shareholders an insight into the independence of auditors.

The collapse of several companies that had recently beeo giveo a clean bill of health by aoditors shortly before they ran into trouble has set alarm bells ringing wlth institutiooal shareholders, who woodar whether they can trust audit statements.

The government hopes the new rules will complement the regulatory system for auditors introduced in Part II of the Companies Act of 1989. Compsnias are already required to disclose how much they pay in sudit fees.

The disclosure of non-auditing fees has been sought by shareholder groups, including the National Associatioo of Pension Funds (NAPF), which last month asked the Accounting Standards Board to sdopt a similar rule.

Mr Angus Matheson, vice chairman of the NAPF's investment committee and managing director of Bothwell Asset Management, said: "This clarifies the relationship between the accounting firm and the company."

He explained that accountancy firms that become dependent upon the huge fees they earn for consultancy services provided to their auditing clients may not wish to jeopardise that relationship by disclosing adverse information in company accounts.

Shareholders who become concerned about the relationship could then insist that another aoditing firm be selected.

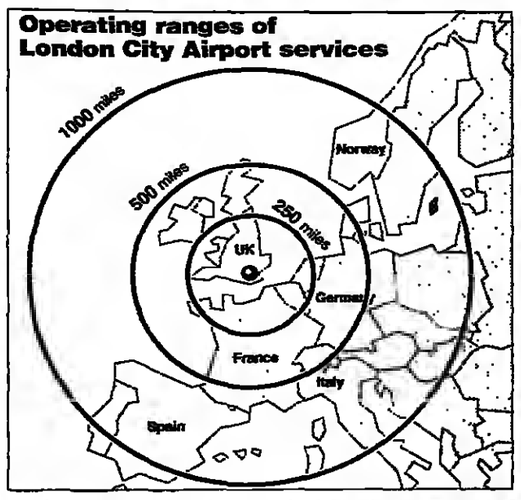
The NAPF, whose members include some of Britain's largest institutional shareholders, is urging that companies disclose far more information to their accounts than is at present the practice.

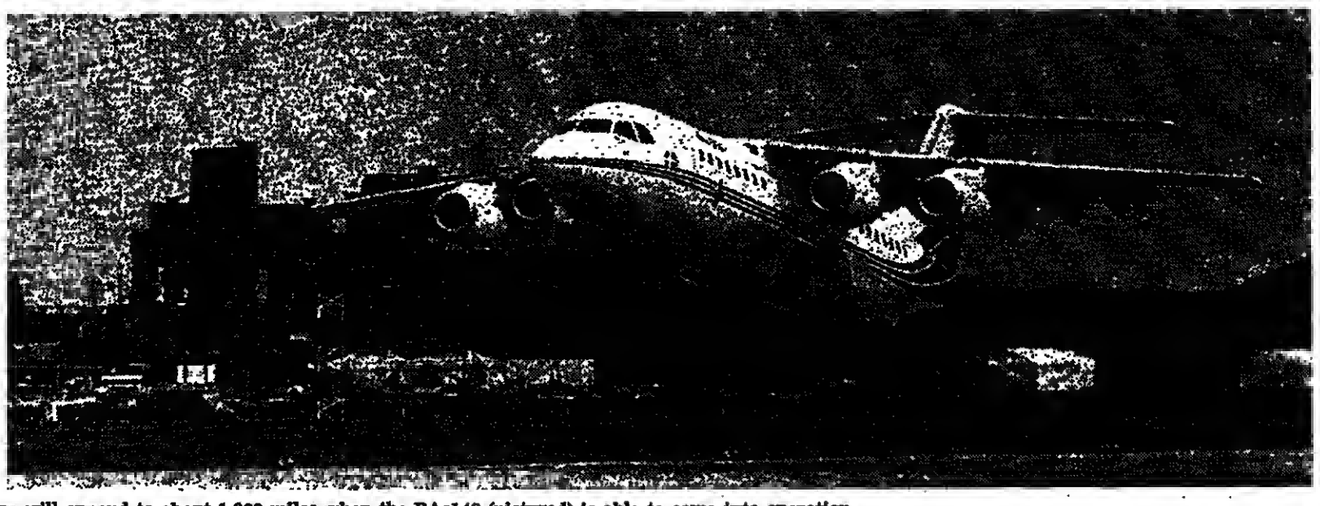
The Institute of Chartered Accountants in England and Wales said it believed the new rules were unnecessary. Mr Giles Wintle, chairman of the institute's company law committee, said: "It is one more piece of information that is not particularly useful."

He said that merely disclosing company payments to auditing firms would not give shareholders sufficient insight into how dependent the company's business was to the auditor'a overall profits.

The new rules apply to financial years beginning after October 1 1991. They will not apply to small or mid-sized companies, defined as those with annual turnover of less than £8m, a balance sheet of less than £3.9m and fewer than 250 employees.

In formulating the new rules, the DTI rejected a plan to bar companies from buying consultancy or other services from their auditors.





Widening horizons: the airport's effective 250-300-mile range will expand to about 1,000 miles when the BAe146 (pictured) is able to come into operation

Suddenly things are taking off at London City airport

Paul Betts on how the go-ahead to extend the runway by 20 per cent has made all the difference to business prospects

LONDON City Airport was finally cleared for takeoff yesterday.

The decision of Mr Michael Heseltine, the envirooment secretary, to allow the Docklands airport to extend its runway by almost 20 per cent to 1,199 metres has lifted the fog surrounding tbe airport by making it accessible to jet aircraft.

The £35m airport, opened in grand style by the Queen four years ago, has been struggling to make eods meet because of its runway restrictions. Mowlem, the construction group headed by Sir Philip Beck that owns 90 per cent of the airport, was forced to make a £33m provision against the loss-making airport in its 1989 accounts. Airlines were reluctant to commit themselves because of doubts over the airport's future.

But Mowlem and Mr William Charnock, tbe airport's managing director, never lost hope. Yesterday they said they were relieved by Mr Heseltine's decision which would enable London City airport tn become "the first airport dedicated to European business travel from 1992".

The runway extension approval will also provide British Aerospace with a badly needed boost for its BAe 146 regional aircraft. The four-engine BAe 146 jet was especially developed to operate on small runways. It is also a very quiet aircraft that can operate at airports with stringent noisa restrictions.

Apart from the BAe 146, the runway extension will enable a range of new, longer-range turboprop aircraft to operate from the airport. They will include the Fokker 50, the Franco-Italian ATR42, the Saab 340B and the Canadian de Havilland Dash 8.

Until now, the airport's short rnnway has restricted operations to the de Havilland Dash 7, production of which has been halted, and the German Dornier 228. That meant the airport could serve only a limited number of destinations close to London including Paris, Amsterdam and Brussels.

The airport will now be able to extend its nstwork in Europe to serve business destinations such as Zurich, Berlin, Milan, Vienna, Madrid, Oslo or Rome with BAe 146 jet services. Mr Charnock explained: "Up until now we have been restricted to an effective operating range within a 250-mile radius."

London City airport was conceived from the start as a business airport. Its proximity to the heart of the City of London (six miles away) has been one of its selling points. It also has an attractive and roomy terminal building with no crowds and no queues and a check-in time for all departures of 10 minutes, the fastest in Europe – but its restricted network of flights has held back the airport's development.

Mr Charnock said about 200,000 passengers used the airport annually. The airport has a capacity to handle 1.7m passengers, probably as many as 2m if squeezed. It needs at least 450,000-500,000 passengers a year to break even.

The runway has not been the only difficulty. Although it should only be about 15 minutes from the City, road and rail access has so far been a handicap. That is expected to improve as road and rail links, including the Docklands light railway and the Jnbilee line are completed. The airport is also served by a Riverbus every 20 minutes.

The number of airlines operating from the airport is expected to increase. Many carriers had been waiting in the wings for the government's decision on the £7m extension before committing themselves to the airport. A few months ago a senior executive of a large European airline commented: "London City is an interesting concept but it can only work if it can serve the major European business centres." Other airline officials have argued that the airport will also have to serve UK destinations to generate more traffic. That could include domestic services to Manchester, Glasgow and Edinburgh.

At present Brymon, British Midland, Air France, Sabena and Flexair, a Dutch carrier, use London City.

Brymnn said yesterday it intended to introduce a BAe 146 service next year, while Air France confirmed that it was studying the feasibility of using other aircraft which the runway extension has made possible. Crossair, the Swiss regional airline, also said it was interested in operating BAe 146 services into London City airport.

The big cloud on the horizon is the present depressed state of the airline industry. Yet London City airport, which plans to complete the runway construction by next spring, believes it is serving a promising niche market. "With the European liberalisation policy which will come into effect next year, airlines will be anxious to satisfy demand for point-to-point commuter business, and London City airport is ideally placed to do this," Mr Charnock said.

THE HEAD of London Buses and the Docklands light railway has decided to leave the posts next year for parsonal and health reasons, *Richard Evans writes.*

A memorandum circulated yesterday to senior staff by Mr Wilfrid Newton, London Transport chairman, said Mr John Talford Beasley, LT depnty chief execntive, intended to resign on March 21 next year. He is 62 and has a salary of £75,000.

There were suggestions that the resignation of such a senior manager would fuel speculation that London Transport might soon be dissolved as a corporate body, but LT insisted that there was nothing political about Mr Beasley's departure.

It is understood that Mr Beasley's doctors advised him to resign immediately on health grounds, but he decided to stay on to complete various tasks.

There has been considerable criticism of the Docklands light railway in recent months over a poor reliability record, and Mr Beasley wishes to stay to see improvements put into practice. The DLR, opened in 1987 at a cost of £77m, is Canary Wharf's main transport link with the rest of London.

Charter airline ceases operation

TRANS European Airways (TEA) UK, a charter airline, ceased trading yesterday after one of its aircraft was impounded at Manchestar.

Tha airport anthority impounded the Boeing 737 jet outbound for the Greek island of Paphos because of non-payment of landing fees.

The airline operates a fleet of five Boeing 737s and employs about 250 staff. It is a subsidiary of the Belgian airline TEA, which itself is under financial pressure and is operating under Belgian legal procedures to protect it from creditors.

TEA UK was in discussioo with another airline interested in taking over the charter carrier. The airline confirmed that it was negotiating with an investor but it had been forced to cease trading because of the decision of the Manchester airport authorities to detain one of its aircraft.

TEA UK operated from Manchester, Gatwick and East Midlands airports. The Belgian TEA airline continues to operate daily scheduled services from Gatwick to Brussals.

Court rejects plea from Pan Am

THE COURT of Session in Edinburgh yesterday refused to grant Pan Am a court order prohibiting 385 residents of Lockerbie from suing the airline in the US over distress claims arising from the Flight 103 disaster.

Mr Michael Jones QC, for the airline, told the court that none of the 385 was injured in the disaster, but each claimed to have suffered emotional distress. They were in the Lockerbie area on December 21 1988 when the Pan Am Boeing 747 crashed on the town as a result of a terrorist bomb, killing 270.

He said residents would get higher damages if they were successful in the Scottish courts and they would be saved inconvsnience and expense.

Pan Am believed proceedings in Scotland would take much less time than in the US, where the cases could take two or three years.

Pan Am lawyers indicated that they might appeal against the decision by Lord Kirkwood after studying his written reasons, to be given later.

Readers misled over authorship

READERS WERE misled over the authorship of two stories invented by Alistair MacLean but written by another author after his death, a court ruled in a legal test case yesterday.

Publisher HarperCollins was fined £6,250 with £4,151 costs after being found guilty of five offences under the Trade Descriptions Act.

Magistrates in Stratford-on-Avon took four hours, after a three-day trial, to decide that tha covers of the books Death Train and Night Watch did not make clear who had written them.

Warwickshire consumer officials said the publisher, formerly William Collins, breached trading standards hy giving the award-winning novelist greater prominence than his ghost writer, Alastair MacNeill.

Polar vessel to be delivered today

THE JAMES CLARK ROSS, a £37m polar region scientific research ship designed to operate at temperatures as low as minus 40 degrees Celsius and to cut through pack ice almost 1 metre thick, will be delivered today by Tyneside shipbuilder Swan Hunter.

Built for the British Antarctic Survey, part of the Natural Environment Research Council, she sails for the Antarctic in late October after final trials in the north Atlantic.

Further blow to Labour left expected

By David Owen

SENIOR LABOUR figures are forecasting a further blow to the left wing in tomorrow's ballot at the party's annual conference to decide the make-up of the Natioosl Executive Committee.

Mr Tony Benn's seat on Labour'e ruling body, beld for 30 years, is among those thoogbt to be in jeopardy, chiefly because of procedural changes that are widely expected to disadvantage leftwing candidates.

The loss of Mr Benn would not signal a fundamental shift in the stance of the 29-strong NEC, which is solidly behind the policy reforms of Mr Neil Kinnock, the party leader.

Neverthelese, it would be another blow to the Labour left, which has lost ground steadily over recent years. In 1989 Mr Ken Livingstone, MP for Brent East, lost his NEC seat.

At present only three other NEC members regularly side with Mr Benn in opposing Mr Kinnock's will: Mr Dennis Skinner, MP for Bolsover; Mr Bill Connor, of Usdaw, the shop workers' union; and Ms Barbara Switzer of the MSF general technical union.

The prime beneficiary of the changes is likely to be Mr Gerald Kaufman, the shadow foreign secretary, who last year fell 67,000 votes short of securing an NEC seat.

This year for the first time, conference delegates are bound to cast their votes for the seven NEC members in accordance with the results of a ballot of constituency party members. It is widely assumed that that will militate against perceived extremists and in favour of the Kinnock mainstream.

The new procedure is also thought to have increased the vulnerability of soft-left MP Ms Jo Richardson, the shadow cabinet's official voice on women's issues. She finished immediately behind Mr Benn in sixth place in last year's poll.

Mr Bryan Gould, the shadow environment secretary, was seventh last time, but may find his position strengthened by the changes.

The four remaining NEC members chosen by the constituency parties are Mr David Blunkett, MP for Sheffield Brightside; Mr Robin Cook, shadow health secretary; Mr Skinner; and Mr John Prescott, shadow transport secretary.

Mr Benn this week criticised the new system, saying that in his own constituency party of Chesterfield it had reduced the number of members participating in the decision and increased costs.

A further aspect is that one of the NEC candidates is Mr Dave Nellist, the hard-left MP for Coventry, who was suspended from the party and disbarred from holding office earlier this week. It is uncertain how any votes for him will be treated.

Scots poll tax take at new low

LEVELS of poll tax collection in Scotland have reached a new low, according to unpublished figures from the Convention of Scottish Local Anthorities.

The Cosla figures show that by the end of August only 23 per cent of budgeted poll tax income for the year had been collected.

Cosla also says uncollected poll tax for the first two years of the system is £358m and that 2.5m summary warrants for non-payment have been issued. In total 3.7m people are liable to pay the poll tax.

Patten sets test for Kinnock

MR CHRIS PATTEN, Tory party chairman, yesterday set a tongue-in-cheek test to establish the fitness of Mr Neil Kinnock, ths Labour leader, to become prime minister.

To qualify the Labour leader would have to:

- Drop clause fnur of Labour's constitution, which commits the party to wholesale nationalisation.
- Change policy on Northern Ireland by withdrawing plans to repeal the prevention of terrorism act and the emergency provisions act.
- Abandon minimum wage legislation.
- Set out clearly Labour's convantional and nnclear defence policies.
- Clear up Labour's "spending muddle", either by dropping pledges or admitting that taxes would rise.
- Drop the proposed "extra 9 per cent tax" on savings.
- Come clean on spending on the National Health Service.
- Drop the threat to city technology colleges, grant maintained schools and the assisted places scheme.
- Drop plans to renationalise BT, water and the national electricity grid.
- Drop the singing of the Red Flag at the annual conference.

Moscow visit

MR MICHAEL Howard, employment secretary, is to visit St Petereburg and Moscow oext week to offer advice and training on small-business development.

Threat to health pay body angers workers

By Ralph Atkins and Lisa Wood

HEALTH workers' leaders and the Labour party responded angrily yesterday to the disclosure that civil servants have drawn up plans for abolishing National Health Service pay review bodies by April 1994.

The government did not deny that a meeting of senior Whitehall officials had discussed the devolution of pay and terms for nurses to the local level, which would end national pay rates. The Department of Health said: "At the end of the day, ministers decide."

Although Mr William Waldegrave, health secretary, has in the past given assurances that the pay review bodies were safe, a commitment to devolving pay and conditions would undermine the role of pay review bodies – even if they were never formally abolished.

Mr Robin Cook, Labour's health spokesman, said: "For all Mr Waldegrave's protestations about pay review bodies being safe in his hands, he has obviously instructed his officials to work out plans to effectively bury them."

The document, reported in the Financial Times yesterday, shows a discussion on accelerating the boards' phasing-out by regional personnel directors led by Mr Eric Caines and Mr Peter Johnson, both members of the NHS management board.

It is widely accepted that as health service reforms accelerate, pay review bodies will become irrelevant with newly-created NHS trusts setting their own terms and conditions. Ministers, however, may decide that formal abolition of review bodies would bs too politically damaging.

Mr Jerry Hayes, Conservative member of the Commons health select committee, said: "It is dangerous nonsense to suggest that the government intends to abolish pay review bodies. Quite simply they enhance the professional status of bodies such as the Royal College of Nursing and are a politically acceptable way of giving these bodies a fair crack of the whip for pay deals."

Mr Malcolm Wing, national secretary of Nupe, the public service union, whose members include nurses, said yesterday: "Nurses are fed up with the uncertainty about their pay review body and the latest revelations add to their anger."

He added: "Mr Waldegrave has to clear the air – he has to back Eric Caines or sack him."

Hattersley plans crime statement

By Alison Smith

LABOUR is to capitalise on its recent private polling showing it just ahead of the Tories as the party most able to deal with crime, with a party conference policy statement oo crime and policing.

The opposition admits that its lead is very slight, but it is delighted that for the first time it is ahead on an issue where the Tories traditionally score more highly.

The poll evidence, discussed at Wednesday's meeting of the National Executive Committee (NEC), the party's ruling body, comes against a background of inner-city rioting earlier this month and figures showing a record 18 per cent increase in levels of recorded crime in the year to June 1991.

Mr Roy Hattersley, shadow home secretary, persuaded the NEC that the issue of crime would be lost if it were contained in Wednesday morning'e debate on constitutional reform, which will be dominated by discussion of proportional representation. The NEC'e decision has caused soma friction with the conference arrangements committee, but the most likely time for the statement is Wednesday afternoon or Friday morning.

Mr Hattersley is expected to confirm that a Labour government would enable the number of police officers and civilian staff to grow to the levels already agreed with the Home Office. He will, however, also emphasise the need for good police managament nf resources. The present shortfall is about 700 officers and 400 civilians.

Labour attributes its better showing partly to public concern that police forces have suffered from local-government finance settlements and capping arrangements. The party has also worked hard to lose the "anti-police" image associated with a few local authorities, and has tried to foster co-operation between police and councils.

LABOUR yesterday accused the Tories of having a "hidden agenda" for pensioners – including possible plans for forcing women to work until 65 – as it presented its "charter for pensioners".

Tongher minimum standards for personal pension providers and occupational pension schemes would be set by a Labour government, Mr Mlchael Meacher, Labour's social security spokaeman, said. Thare would also be a National Pensions Plan based on the State Earnings Related Pension Scheme.

Clarke to step up school inspections

By Alison Smith

A PROGRAMME of frequent, independent inspections of schools was promised yesterday by Mr Kenneth Clarke, the education secretary, as he published a "parent'e charter" for schools.

Seting out his view of parental rights to informatiou about their children's schools, Mr Clarke said there would be inspections every four years.

HM Inspectorate (HMI) will be put on a statutory basis and given the task of authorising independent teams of inspectors to carry out the 6,000 inspections each year. Every four years, school governors will choose an authorised team to inspect their school.

The money for the inspections, estimated at about £70m a year, will be diverted from the £135m at present given to local anthorities for their inspection and advice functions. HMI itself will be cut from 480 staff to 175.

A method for getting the money directly to schools has not yet been devised. The cost of each inspection is expected to vary from about £6,000 to more than £30,000.

Inspection teams will have to include a member from outside the educational establishment. Mr Clarke suggested a businessman, or a "sensible and intelligent parent" with management experience.

Mr Clarke rejected claims that with governors paying for inspections, the inspectors were likely to be less rigorous. He emphasised the power of HMI to withdraw approval if it became dissatisfied with inspection standards.

Mr Clarke also made clear that the "league tables" of results, which will be published for all schools – including those in the private sector – would cover not just examination results but truancy levels and where pupils went after leaving school.

Mr Jack Straw, shadow education secretary, warned that tha government's plans – which are a fuller version of parental rights promised in the Citizen's Charter – would mean that "falling schools may be locked into a cycle of decline".

The main teaching unions gave the parent'e charter a uniformly sceptical reception, pointing out that information from inspections and league tables would not compensate for rising class sizes and insufficient resources for books and buildings.

The National Associatioo of Head Teachers warned that the cost of inspecting every school every four years would be heavy and that there was a danger of an "over-inspected education system".

Peace breaks out at IEA

By Peter Norman and Alison Smith

PEACE HAS broken out at the Institute of Economic Affairs, the free-market think tank that has been riven with discord in recent months.

A statement yesterday said that the annual meeting of the institute had confirmed Mr Graham Mather as general director and had appointed Lord Harris of High Cross and Mr Arthur Seldon, the IEA's fnunder prasidents, as honorary trustees, in which capacity they will be able to advise the organisation's management.

Last month, criticism of the direction in which Mr Mather was said to have been taking tha IEA, which was particularly influential during Mrs Thatcher's administration, culminated in Mr Seldon's withdrawal. There were charges that the institute was becoming too closely linked with the Conservative party and too closely involved in day-to-day politics.

There has also been controversy among the membership about issues relating to the UK exchange rate. That was highlighted in a letter early this year from Professor Patrick Minford and others, pressing for cuts in interest rates even at the expense of the UK's ERM commitment.

Two new management trustees have been appointed – Professor Michael Beesley, chairman of the Institute of Public Sector Management, and Mrs Linda Whetstone, an economist and the daughter of the late Sir Anthony Fisher, the IEA's founder.

The IEA's advisory council has also been strengthened by the addition of seven economists from academia and the City.

Mr Mather said yesterday that evarynne was "very happy" that the trustees had found a way of bringing everyone back together again, and that the new arrangements constituted a "sustainable and solid basis for the future".

The Charity Commissioners are investigating the IEA's charitable status after a complaint that two papers in particular, urging the UK to take a positive role in the future of the European Community and dealing with the Citizen's Charter, suggested tha institute was engaging in partisan political activity.

Charity Commission officials met four of the trustees earlier this month, but are unable to say when they expect their investigation to be concluded.

THE GUINNESS TRIALS

Court told of share support negotiations

By Raymond Hughes, Law Courts Correspondent

LORD SPENS, former corporate finance director at the Henry Ansbacher merchant bank, continued to help an unlawful Guinness share support operation during the 1986 takeover battle for Distillers after being told by his superiors it was not Ansbacher's policy to support Guinness, it was alleged yesterday.

The allegation was made on the second day of the trial in which Lord Spens and Mr Roger Seelig, former director of corporate finance at Morgan Grenfell – Guinness's principal merchant banker for the takeover – deny criminal involvement in the support operation.

They are jointly charged with conspiring to contravene the 1958 Prevention of Fraud (Investments) Act by conspiring to induce Distillers shareholders to exchange their holdings for Guinness shares.

Mr Seelig alone faces another charge under the same act, and two false accounting charges. Lord Spens faces one false accounting charge.

Miss Elizabeth Gloster QC, prosecuting, said that on April 3 1986, at Mr Seelig's request, Lord Spens bought 100,000 Guinness shares in the name of Down Nominees, an Ansbacher nominee company.

The following day he told Mr Richard Fenhalls, Ansbacher chairman, and Mr Roger Cort, head of its corporate finance division, that Mr Seelig had asked him to buy Guinness shares against an indemnity against loss.

Mr Fenhalls and Mr Cort told him it was not Ansbacher policy to support Guinness, and Ansbacher should not purchase Guinness shares. Lord Spens therefore sold the 100,000 shares.

Miss Gloster alleged: "Notwithstanding the instruction from his chairman that Ansbacher was not to be involved in any Guinness share support operation, Lord Spens and Mr Seelig continued their discussions as to the possibility of clients of Ansbacher, as opposed to Ansbacher itself, purchasing Guinness shares."

Lord Spens insisted that such transactions must not expose Ansbacher or its clients to any financial risk. Mr Seelig confirmed that they would be indemnified up to £10m.

Miss Gloster said that, at Lord Spens' request, two Ansbacher clients, Dr Mohamed Marwan, an Egyptian businessman, and TWH Investment Co between them bought 2,150,000 Guinness shares on the basis of indemnities.

After the bid closed, both wanted to sell. Because the share price had dropped, Mr Seelig had been concerned that the shares should not go on the market, and he and Lord Spens decided they should be held by Down Nominees, an Ansbacher nominee company, until the share price rose sufficiently for them to be put on the market.

Ansbacher paid £7.6m – the clients' original purchase price plus interest – and was covered by Guinness making an interest-free deposit of the same amount with Ansbacher.

Mr Seelig and Lord Spens also agreed that Guinness would not be entitled to demand repayment of the deposit until Ansbacher had been indemnified for any costs it incurred in acquiring or disposing of the shares.

Miss Gloster said that such had been Mr Seelig's and Lord Spens' concern to put the arrangements into practice that they had given insufficient thought as to whether Ansbacher was buying the shares on its own or Morgan Grenfell's behalf.

Lord Spens was later to say the shares were Morgan Grenfell's, whereas Mr Seelig said they were Ansbacher's.

Miss Gloster said a misleading, false and deceptive letter that Lord Spens authorised Ansbacher to send to Guinness stated that Guinness could demand repayment of the £7.6m deposit on a specified date and that the sum had been placed in an interest-free deposit account.

The true position was that no such account had been established and the sum had been credited to Ansbacher's sundry-customers account and set off against the purchase price of the shares.

When Mr Fenhalls found out about the matter, he instructed Lord Spens to liaise with Mr Seelig and get written confirmation from Morgan Grenfell that Ansbacher was entitled to indemnify itself out of the deposit.

Mr Seelig refused to give such confirmation. However, Miss Gloster said, he later told a Morgan Grenfell colleague that Ansbacher had been given an indemnity.

Lord Spens and Mr Seelig had given contradictory accounts to Department of Trade and Industry inspectors who later investigated the takeover, Miss Gloster said. Lord Spens, who denied having done anything dishonest, eventually admitted in terms that Mr Seelig had asked him to support Guinness and given an indemnity up to £10m.

Mr Seelig had denied having given Lord Spens an indemnity, saying he had given nothing more than "comfort" and that it had been no more than "a loose back-scratching arrangement – that is, you do me a favour now and I will not forget you in the future".

Miss Gloster said the principal issues were simple:
1 Had indemnities been given?
2 If so, had they been concealed?
3 If they had been concealed, had that been done dishonestly?
4 Had false and dishonest documentation been used to cover up indemnity payments?

Those issues, she said, were to be considered against the background that the vice of undisclosed indemnities was that Distillers shareholders had not been making informed decisions about whether to accept the Guinness offer or that of its rival bidder, Argyll.

The trial resumes on Monday.

Tony Andrews

Elizabeth Gloster QC arrives at Southwark Crown Court

Conviction for fraud quashed on appeal

A HAMPSHIRE businessman given an 18-month jail sentence last year for his alleged involvement in a £439,000 fraud on investors was cleared by the Court of Appeal yesterday.

Mr David Day had denied duping clients into investing in bogus offshore companies in the mid 1980s.

The court quashed his conviction on four counts alleging unlawful inducement of investment and set aside his sentence.

Mr Day, who operated in Southampton, had been allowed bail pending appeal after being convicted at Southampton Crown Court in February last year.

Lord Justice Farquharson said Mr Day was alleged to have operated a swindle with two Dutchmen, who had never been traced.

Mr Day said he acted merely as a selling agent and had no control over the companies concerned. He honestly believed the projects were genuine. The prosecution held that he had acted recklessly.

The appeal judge said the case had been complicated and called for clear legal directions to be given to the jury. The trial judge's directions on the question of dishonesty had not been sufficient and those on recklessness flawed.

It had also been argued that the judge summed up at a pace that made it difficult for the jury to understand.

Lord Justice Farquharson said: "We took the unusual course of listening to a tape-recording of part of the summing-up and we can only say we found it measured and easy to understand."

Companies lift gross trading profits by 4.3%

By Peter Norman, Economics Correspondent

THE FINANCIAL health of Britain's companies improved in the second quarter of this year but consumers saved less as their real disposable income fell.

Seasonally adjusted figures, released yesterday by the Central Statistical Office, showed that the UK corporate sector increased its gross trading profits, net of stock appreciation, by 4.3 per cent to £17.5bn between the first and second quarters. Dividend payments were paired by nearly 24 per cent to £4.37bn in the second quarter compared with the first, while corporate savings in the form of undistributed income increased by 52 per cent to an estimated £9.14bn.

Higher profits, large destocking and falling investment left Britain's industrial and commercial companies with a second-quarter financial deficit of £1.81bn: a big improvement compared with the first quarter's £5.52bn deficit and the record £25.44bn deficit for the whole of last year.

While corporate finances recovered, the personal sector suffered a 0.9 per cent drop in real personal disposable income between the first and second quarters.

Pre-tax income from wages and salaries increased by only 0.2 per cent between the first and second quarters as rising unemployment largely offset the effects of higher incomes for those in work.

The effect of unemployment also showed up strongly in the annual figures. Overall income from wages and salaries increased by 4.9 per cent in the second quarter compared with the same 1990 period, while the rise in average earnings over the same period was about 8 per cent.

The savings ratio, which measures personal savings as a percentage of total personal disposable income, fell to 10.1 per cent in the second quarter from 10.8 per cent in the two preceding quarters. It was well above the 4.1 per cent low reached in the first quarter of 1988 at the time of the boom.

Economists said the second-quarter personal income and savings data helped to explain why the recovery of consumer demand had been muted so far this year. According to Mr Michael Saunders, UK economist for Salomon Brothers International in London, a sharper fall in the savings ratio will be required if Britain is to experience a strong consumer-led recovery. That, he said, would be unlikely.

The CSO's figures have been revised to give a more positive picture of the financial health of the corporate sector over much of the past decade. The gross profits of non-oil companies last year, for example, are now shown to have been £65.3bn, compared with £57.8bn previously.

Mr Kevin Gardiner of Warburg Securities warned that the inclusion of recently privatised electricity companies had inflated the CSO's profit statistics in the first half. However, he forecast that the second-quarter improvement in the corporate financial deficit would be sustained.

Concern expressed on control over exports of works of art

By Antony Thorncroft

MOUNTING concern about the loss of the UK's artistic heritage is expressed in the annual report of the Reviewing Committee on the Export of Works of Art, published yesterday.

The report describes the past year as "intensely disappointing". It said there had been 18 cases in which objects valued collectively at £39.5m were subject to a temporary export ban to allow British galleries and museums to make bids to keep them in the UK.

Only seven works of art, with a value of £3m, had been retained.

Six objects, valued at a total £23m, including the Badminton cabinet, received export licences.

The committee said it had little confidence that the four outstanding cases, valued at a total of £13.5m and including paintings by Constable and Van Dyck, would end with the works remaining in the UK. One case has been withdrawn.

The committee said: "The tax system should be modified so that it is more attractive for private owners to make private treaty arrangements when they have an important heritage object for sale. The operation of gift tax should also be improved so that works of art can be offered in lieu of tax.

"Our public collections should be better funded and should have access to special grants in exceptional cases in order to make pre-emptive purchases and to take advantage of private treaty offers when they are made."

The report notes that the Badminton cabinet was offered to the Victoria and Albert Museum for £4m before being sold at auction £8.6m.

Mr Tim Renton, the arts minister, has asked the committee to propose improvements to export controls. An alternative system could be in place by the time of the 1992 report.

Truck makers warn of delayed recovery

By Kevin Done, Motor Industry Correspondent

A RECOVERY in the UK truck market, where sales have more than halved in the past two years, is unlikely before the second quarter of 1992, the Retail Motor Industry Federation warned yesterday.

Mr Mike Mudie, chairman of the federation's national truck committee, said that truck producers had been forced to offer substantial financial support to their dealer networks.

"There would be very few that would still be in business without that support," he said.

The truck sector has been one of the worst sufferers in the recession. Sales are 38 per cent lower than in 1990 and there has been a 56 per cent fall in demand over the past two years.

Truck prices in the UK are currently the lowest in western Europe, said Mr Mudie, and were only 70 per cent to 75 per cent of prices in Germany.

He warned that the industry faced a further wave of restructuring in order to reduce overcapacity, and said that there would be more casualties among the remaining small truck makers.

Sales of new commercial vehicles fell 29.2 per cent in August to 28,945, led by a further steep drop in truck demand.

New commercial vehicle sales in the first eight months of this year, at 151,107, were 30.3 per cent lower than in the corresponding period a year ago.

The rate of decline and the depth of the recession in the UK commercial vehicles market was unprecedented in the post-1945 period, Mr David Gill, truck marketing and sales managing director for Leyland DAF, the UK subsidiary of DAF of the Netherlands, warned recently.

The present recession was biting much more deeply than the last recession, in the early 1980s. He forecast that sales of trucks above 3.5 tonnes would fall as low as 32,000 this year – a drop of a third from the 48,000 last year and less than half the 1989 sales level of 69,000.

Acorn launches low-cost computer

By Alan Cane

ACORN COMPUTERS, the UK-based school computer specialist controlled by Olivetti of Italy, yesterday launched an inexpensive system designed to improve its share of the secondary-school market.

Acorn, based in Cambridge, has machines in 85 per cent of UK schools, with a bias towards the primary sector, where its BBC-B computer has been especially popular. The company has been criticised, however, for concentrating on its own proprietary hardware and software rather than developing computers based on the industry standard MS-DOS operating system used on most professional machines.

The new A5000 machine uses Acorn's own microprocessor chip, but the company says it is so fast that it can run MS-DOS programs almost as fast as MS-DOS-based computers.

The A5000, complete with a 40-megabyte hard disk memory and colour monitor, will sell for £1,499 plus VAT.

Mr Sam Wanchope, Acorn managing director, said the machine was well suited to secondary schools' use as well as to desktop publishing and multi-media applications where text, moving pictures and computer processing are brought together on the monitor screen.

He said the education market, seriously shaken over the past two years by the uncertainties of the poll tax and the introduction of local management of schools, had returned to slow but steady growth.

The new National Curriculum in England and Wales requires schools to use information-technology equipment in specific subjects such as maths, science and technology. Some schools are exploiting applications such as word processing for English, graphics in art classes and spreadsheets for business studies.

Fresh Paternoster plan enters the fray

By Vanessa Houlder, Property Correspondent

NUCLEAR ELECTRIC is about to submit a planning application to redevelop Sudbury House, on the edge of Paternoster Square by St Paul's Cathedral in the City of London.

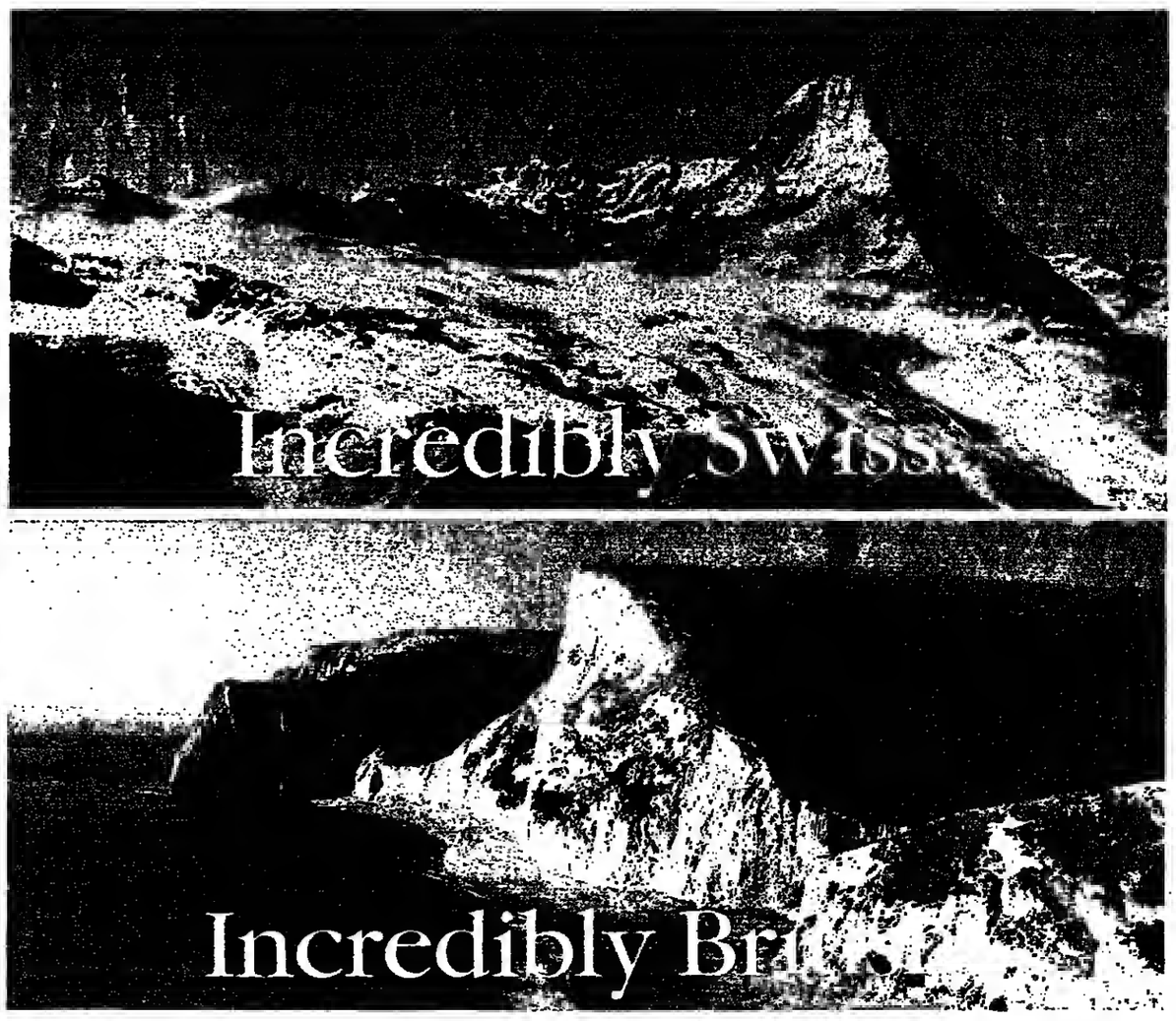
The design conflicts with the proposals put forward in June for redeveloping the square by Paternoster Associates, a partnership of Greycoat, Park Tower Group of the US and Mitsubishi Estate of Japan.

Although Nuclear Electric supports the neo-classical style promoted by Paternoster Associates' master plan, it seeks a different design solution for the north-west of the square.

It has based its proposal for a new 430,000 sq ft office building on an amended master plan that would allow a visual link between the towers of St Paul's and Christchurch Greyfriars, both designed by Sir Christopher Wren.

It proposes that two of the Paternoster Associates' buildings should be set back to achieve the vista and allow a way through Newgate Street to the new Paternoster Square.

The site has been the subject of a fierce architectural debate after previous redevelopment plans were dropped after criticism from Prince Charles.



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The politics of recession

IT IS a truth universally acknowledged that elections can be *bought*. What *matters*, it is widely believed, is how well off voters feel on the eve of the poll. A few months of low rates of interest and rising incomes are enough, it is alleged, to make the average voter forget all earlier pains. But this truth may be a half-truth, or even a falsehood. The economics of the moment may matter less than is thought. They certainly should matter less than is thought.

If the electorate were to ask the Conservative party what it has done for it lately, its leaders would happily point to a 4½ percentage point reduction in base rates since October of last year, along with a stable currency and signs of economic recovery. But if the electorate were to ask what the party has done for it since June 1987, when last it received a lease on the powers of a British government in possession of a House of Commons majority, the answer would be far grimmer.

In the four years since the second quarter of 1987, the UK's gross domestic product has risen by a paltry 5.5 per cent (a compound annual rate of growth of 1.3 per cent). Retail price inflation, less mortgage interest – Mr Nigel Lawson's "judge and jury" – was 3.5 per cent in the year to June 1987, but 6.2 per cent in the year to August 1991. Average earnings rose at an underlying rate of 7¾ per cent in the year to June 1991 and by 7½ per cent in the year to July 1991. In June 1987, unemployment was 2.9m and falling. In August 1991 it was down to 2.4m, but rising.

None of this looks very good and some of it looks dreadful. Given that the latest recession did not coincide with oil shocks and global recessions comparable to those of 1973-75 and 1979-81, it is also bound to look unnecessary.

Likely growth

Just how deep and long the recession has been has become clearer with the publication of GDP for the second quarter of 1991. If one defines a recession in terms of successive quarters of negative growth, then the latest one is already four quarters old. It is also quite likely – though far from certain – to be at its end, since some growth, albeit modest, is likely in the third quarter.

With a GDP decline of 3.7 per cent over four quarters, the latest recession has not been as deep as the 6.7 per cent decline between the second quarter of 1979 and the last quarter of 1980. But it is already deeper than the 3.4 per cent decline between the third quarter of 1974 and the last quarter of 1975. The Thatcher-Major recession is, in fact, the second deepest decline in output since the 1930s.

The latest recession is also quite different in shape from the earlier ones. In 1979-80, manufacturing experienced a decline of 17.4 per cent. Even in 1974-75 the decline was 11.8 per cent. This time, however, manufacturing output has fallen by "only" 6.6 per cent from its peak in the second quarter of 1990. It is easy to understand why manufacturing industry should feel groggy by now, but this time services too have been pummelled.

Two options

The government has two options in dealing with the legacy of its past. It can blame it all on a previous government, headed by someone called Margaret Thatcher, who was executed last November and buried in an unmarked grave. The government is now headed, instead, by a certain John Major who happened to arrive from Mars at the same time.

The government can also try to point to a bright future of non-inflationary growth. Growth is, indeed, now rather likely. It is noteworthy, for example, that the personal savings ratio, whose increase in 1989 and 1990 was an important proximate cause of the recession, stopped rising in the first half of 1991. Consumption should now rise with personal incomes. Moreover, the decline in gross trading profits halted in the second quarter of 1991, while that in corporate fixed investment also slowed sharply. In addition, the volume of exports (excluding oil and erratic items) went up 2½ per cent in the latest quarter over the previous one. All in all, recovery now looks likely.

Nonetheless, economic growth is unlikely to match the rise in capacity, with further increases in unemployment certain. Moreover, the UK has not, whatever the politicians claim, "licked inflation", if that means a pay performance rivalling the best in Europe.

The government's tale is one of past mistakes, of a dreary present and a far from buoyant future. But the Labour party is so frightened of being thought reckless that it offers the same basic policies. This time at least the electorate will not be bought. On the contrary, it is being offered a hair shirt.

The Labour party is entitled to belabour the government for its mistakes. But no one should be fooled. As Henry Ford would have said, the electorate can have any macroeconomic colour it wants, so long as it is black.

The Labour party conference will provide the party leader with the sternest test he could face before the election, writes **Ivo Dawnay**

Moment of truth for Kinnock

Shortly after 2.30pm on Tuesday, Mr Neil Kinnock will step up to the speaker's rostrum of the Labour party conference, nervously adjust his shirt cuffs and begin the most important speech of his political career.

In the tense hush that follows will hang a widely held, though unspoken, conviction that his 45-minute address will set the tone of Labour's coming campaign and will influence his chances of becoming prime minister next year.

The goals of the Labour leader's speech, hammered out at the shadow cabinet meeting in London's Churchill Hotel 10 days ago, are simple but demanding. Mr Kinnock's chief task is to paint a picture of Britain under a Labour government, drawing out the vision from the mountain of policy papers so painstakingly drafted over the past three years.

His speech must answer the charge that the reformed Labour party's message is all things to all men, and explain what "democratic socialism" stands for. It must convey to the electors the complex, though not necessarily contradictory, message that Labour is both safe and exciting to vote for. And, above all, it must go at least some way to rebutting the jibe of Mr Chris Patten, the Tory chairman, that a Kinnock premiership offers only a return to the pragmatism of Harold Wilson.

How will Mr Kinnock promote the new Labour party? On its traditional winning issues – the National Health Service and education, for example – the leader will assure his audience that it stands for "modernisation not privatisation": a formula that finds ample support at the polls.

On the more difficult area of the economy, Mr Kinnock will push hard on the button marked "prudence" while emphasising that Labour's investment-led recovery programme, with its emphasis on manufacturing innovation and skills training, is the European norm, and Tory dependence on market forces an aberration.

'We are usually bad under fire. But the party behaved like a good battalion last week' – Roy Hattersley

But none of this answers the question: "What is the big idea?" After months of debate, the shadow cabinet concluded that the party must highlight the constitutional reform chapter of its policy package.

In deliberate contrast to Mr John Major's Citizen's Charter – dismissed as a narrow consumerist view of citizenship rights by Labour – Mr Kinnock will point to the little-publicised programme for a Freedom of Information Act, devolved regional government and widely enhanced citizens' rights as the agenda for pushing forward the frontier of a true "enabling" democracy.

Upon this agenda, Mr Kinnock will try to restore Labour's claims to excitement and to win votes as the party determined to empower the people. But what will he say on the crucial, related question of electoral reform?

The signals this week were that Mr Kinnock, until recently a declared agnostic, will use his conference speech to boost the hopes of the growing ranks of reformers now lobbying hard within the party.

Opponents to changes in Britain's first-past-the-post voting system, including the deputy Labour leader, Mr Roy Hattersley, believe there are compelling reasons why Mr Kinnock should say nothing. Others, like the shadow health secretary, Mr Robin Cook, think that now is the moment for the Labour leader, at the very least, to wave what may be a trump card.

The case for caution is simple. Labour goes to its conference with its morale higher for the electoral race than at any time since it last won power 17 years ago in October 1974. The most recent polls show the party returning to a two- or three-point lead as the public's attention shifts back from the unfolding events in the Soviet Union and elsewhere to the domestic political agenda.

Indeed, even when the polls were running against it two weeks ago, Labour's disciplined new model army held its ground. "We are usually bad under fire. But the party behaved like a good battalion last week," Mr Hattersley observed with satisfaction.

Inevitably, there will be conference controversies. Nuclear defence policy, women's quotas in the selection of MPs, electoral reform itself, and, now the suspension of the memberships of the two hard-left MPs linked to the Militant Tendency – Mr Dave Nellist and Mr Terry Fields – could all cause temporary upsets.

And if Mr Kinnock even tentatively raises the electoral reform flag, its opponents warn, he will hand Mr Patten the opportunity to claim that Labour is planning for defeat because it cannot win under the present rules. But, the reformers argue, if we are committed to extending democracy, then at least send out that signal now and reap the electoral benefits.

The party's campaign co-ordinator, Mr Jack Cunningham, believes Labour's electoral fate hangs on broader issues. He concedes, however, that there is work to be done to win votes. "Earlier this year we saw our own vote steady and others oscillating between the Liberal Democrats and the Tories. It is some of those that we must now win for Labour," he said.

For Mr Kinnock the options, at least, are clear cut. On the one hand he could simply ignore the pressure from the reformers by sticking strictly to his formula that the party's internal debate continues. Or he could signal, however slightly, that a Labour government may agree to place the question of voting systems on the national agenda – possibly by means of a speaker's conference, a constitutional convention or a royal commission – when it takes office.

The Labour Campaign for Electoral Reform – now the party's biggest single pressure group – is proposing a still more cautious course through a skilfully drafted conference resolution and is inviting the party's ruling national executive committee to endorse it.

Highlighting the balanced preliminary work of the party's working party on electoral systems, chaired by Professor Raymond Plant, the motion calls on the party: "to seize every opportunity to publicise and discuss Labour's new openness to electoral reform".

If the NEC gives that wording its blessing, Labour, the reformers claim, can enter the election campaign with at least a portion of the two-point increase in its vote that the Electoral Reform Society says the party would attract for a full-bloodied endorsement of change.

While the backroom politicking over electoral reform rages internally, the chief battleground outside the conference hall continues to centre on Labour's struggle for credibility over its ability to manage the economy. For Mr Kinnock and Mr John Smith, his shadow chancellor, it is the Treasury not the NHS that must be proved to be "safe in our hands".

The latest findings of the party's private polling show that Labour leads the Tories comfortably on its promises of more aid to manufacturing investment and on skills training, but it continues to lag badly on the broader question of relative "economic competence".

To win over the skilled and semi-skilled workers, the crucial C2s, Labour intends to use the conference to stress its new European credentials. The market is a useful tool, it will claim, but the Tories' dogmatic faith in its virtues is eschewing crucial measures, widely employed across the Channel, needed to prepare the country for the single market of 1992.

Enhanced tax breaks for investment and better skills training have allowed the UK's European partners to establish stable economic growth and a dangerous competitive advantage. "A key element in the message is that our policy is the norm in Europe," said one shadow cabinet member. "It is the Tories who are out of line."

What is worrying for Labour is that, so far, this message is still not feeding through into its poll findings. As Mr Smith and his team repeatedly out-point their Conservative counterparts for personal credibility, anaylsts conclude that the problem centres on a "cultural" association in the minds of the electorate that the Tories intuitively understand money.

This week Mr Smith once again promoted his image as a cautious Scotsman by assuring the *FT* that Labour's commitments on spending are definitively restricted to increases in child benefit and pensions. Whatever the priorities of his colleagues, he said in an interview, all additional cash must come from the increased tax revenues derived from growth – money the Tories would spend on tax cuts. But how does this publicly-declared parsimony mesh with the plethora of promises listed in the 51 policy documents Labour has published over the past 12 months.

To many, the well-tried formula that programmes will be funded "as resources allow" rings no more true than the Tories' joyous poster slogan: "Labour's going for broke again."

Professor Paul Hurst, of Birkbeck College, believes that, at its root, the public's lack of confidence must relate to Labour's continuing proximity to the unions, a relationship which came at the top of the list of "reasons for not voting Labour" in a recent Observer/NOP opinion poll.

Memories of the 1978-79 "winter of discontent" have not been dispelled despite the assurances of Mr Tony Blair, Labour's fluent young employment secretary, that neither a social contract nor an incomes policy will be on offer when the party takes power. "The Labour party in the 1970s ended up taking responsibility for things outside its power," he remarked. "That is not going to happen again."

Mr Blair is one of the inner circle who believes that the relentless press onslaught against the Labour leader and the phoney election of the past few weeks has exhausted the Tories' best ammunition on the "leadership issue" and may provoke a "sympathy" backlash.

Indeed, loyalist party officials say that the discipline and determination of Mr Kinnock's conference – not to mention the ousted Militants outside the door – will serve as the crucial curriculum vitae item in his application to manage Great Britain plc. His iron grip on the NEC and his shadow cabinet have shown that he is in complete control of a party once notorious for its unmanageability.

For the Tories, Labour's credibility has been fatally undermined by its about-turns on public ownership, unilateralism, and now, possibly, proportional representation. In particular, the Tories say, Labour's new-found Euro-enthusiasm is symptomatic of its tendency to put electoral opportunism before serious policy considerations. In the run-up to the EC summit at Maastricht in December, they claim, Labour is ready to jeopardise British national interests merely to capture Downing Street.

But how much will all this matter to the C2 voters the party is seeking to woo? As one campaigner protested: "Either we are extremists or we have changed. The Tories cannot have it both ways."

Labour's official answer in Brighton this week is that, unlike the ideological Tories, its policies have moved with the times while its principles remain firmly embedded in the pursuit of a more equitable society – a country, to borrow Mr John Major's phrase, more "at ease with itself".

That may be true. But as Mr Kinnock sits down to the inevitable rapturous applause next Tuesday, he may privately concede that the vision of democratic socialism he has just unveiled is almost identical to that once tabled by the late and little lamented, SDP. Perhaps the only difference is that Labour now has the history, organisation and resources that its rebel offshoot lacked.

MAN IN THE NEWS

David Kay

Cool hand inspector with a surprise in his suitcase

By Bronwen Maddox

"I don't see any reason to be frightened. We've just got a job to do and if you were easily scared you'd be in the wrong job out here."

This deadpan American style belongs to Mr David Kay, chief of the United Nations inspection team which this week uncovered the frightening scale of Iraq's clandestine nuclear weapons programme.

Mr Kay and his 43 colleagues have been detained in the car park of the Baghdad headquarters of Iraq's nuclear weapons programme since Tuesday with a UN bus and five cars. They are in a deadlock with Iraqi officials who refuse to let them remove sensitive files said to reveal for the first time the full extent of Iraq's nuclear weapons-making capability.

The US and UN have rejected vigorously Iraq's claim that Mr Kay is a Central Intelligence Agency officer.

Clean-cut, and neatly-built with an energetic shirt-sleeves style, Kay, 51, has been thrust from his normal role as part-bureaucrat, part-scientist into the front line of media attention. He is the antithesis of General Norman Schwartzkopf, the last American desert hero to fill the television screens.

Relaxed and chatty over the crackling satellite link to his car phone in Baghdad, he says: "We're not actually sleeping on the bus – it's far too hot. We sleep on the pavement by the cars, and in the morning it looks like a convention of the homeless. But you'd be surprised – with a layer of cardboard between you and the concrete it's quite tolerable."

That, according to his colleagues in Vienna, is not bravado but typical of his low-key approach. He seems uninterested in the discomfort, not bothered by military rations and the one "truly horrible" lavatory facility for 44 people, although he says ruefully "we brought no razors and we've got a whole variety of whiskers and beards".

The real frustration for him is spending four days penned in a car park unable to pursue the evidence that he knows exists.

He says the "hammer fell" and the team was ejected by Iraqi soldiers as they began examining one room holding finance and personnel records for the huge Iraqi weapons programme.

They had already ferried some papers out of the two 12-storey buildings, running with them down the stairs in 40-degree Centigrade heat as the lifts were too dangerous to use. They stored the papers under the seats of the bus and settled down to wait for New York and Vienna to tell them whether the United Nations Security Council and Iraq could agree the terms for a full inspection of the building.

Kay is on his fifth mission to Iraq since he was appointed head of the investigation in April. He joined the International Atomic Energy Agency, the UN watchdog, in 1983. Until April he was the head of the IAEA's technical co-operation section, which helps developing countries manage nuclear energy for peaceful uses, mainly in medicine and agriculture. "It is easier to say which countries I didn't visit in Africa, Asia, Latin America," he says.

Born in Texas, he studied physics there as an undergraduate, and then took a doctorate of philosophy in public law and government at Columbia. It was there that he realised his real love was the politics and economics of science.

A spell in Washington doing research on a grant from the National Science Foundation then gave him a taste of the influence of the east coast establishment, an east coast edge to his accent, and the springboard for his first European job, a Paris-based post at Unesco.

Having made the leap from his home town, he seems rapidly to have acquired the international technocrat's ability to feel at home anywhere.

That may explain his dispassionate approach to his Iraqi custodians, bantering with them in the car park as they discuss how to make an acceptable inventory of the files. He shows a surprising lack of anger in describing the incident earlier this week when Iraqi officials forcibly stripped boxes of files from a UN truck and returned only the less sensitive ones, in an unannounced visit to his bedroom at 1.30 in the morning.

This accommodating approach seems almost a refusal to pass judgment when he talks about Vienna, his family's home for the past eight years. "It's a beautiful city, with an interesting culture and history, as you can see from the buildings, and a vibrant international community."

Unmistakably, his fluency and real enthusiasm are reserved for his expeditions abroad. He has a boyish fascination for technology, and helps listeners with free-hand maps of the Iraqi desert and electromagnetic uranium isotope facilities.

In earlier missions to Iraq his teams were racing against "massive obstruction" by Iraqi soldiers. Returning to re-inspect sites, they found equipment bulldozed, concreted over, dragged out into the desert and buried.

They had to dig pieces of 24-ton electro-magnets out of the desert and reassemble them before they realised they were looking at factories for uranium enrichment, an essential step in making nuclear weapons.

When they intercepted a 60-truck convoy carrying equipment away from Tarmiya, an enrichment site east of Baghdad, they were shot at by Iraqi officials.

Even that high point of drama seems not to trouble him: "You do what comes naturally to survive – it doesn't occur to you to be afraid."

His ability to "interface" as he calls it, with politics and science, bureaucracy and adventure is the reason he nevertheless fits well among the inhabitants of the trio of curved United Nations buildings on the banks of the Danube.

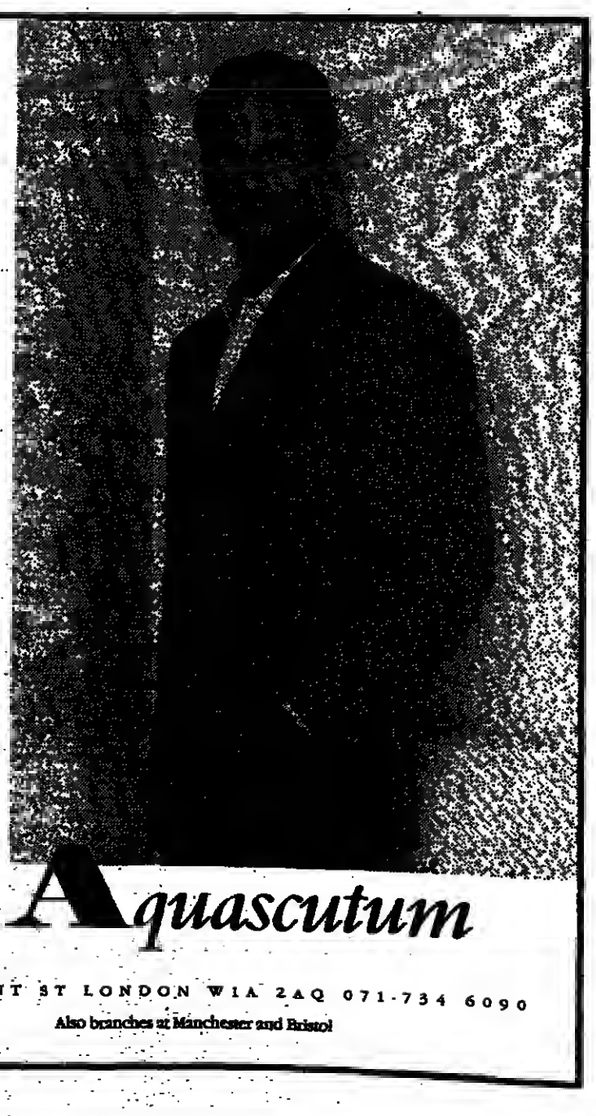
His colleagues in Vienna refer to him with respect and some excitement – not quite Lawrence of Arabia, but an exotic animal in the climate-controlled corridors of the UN.

They were particularly impressed when he brought back fragments of equipment in his suitcase from the last mission, and assembled them on the floor of the UN offices. It was only when the pieces were all in place that observers could see that western companies had supplied some crucial parts.

But he gives no impression that he has fallen for the romance of expeditions, nor does he urge others to carry out dangerous deeds. He says he is pleased and relieved that his 25-year-old daughter has chosen to be a tax accountant – it means she will always be employed.

His colleagues in Vienna want him back soon to assess what has been collected. They may have a tough negotiation ahead of them. Laughing over the phone line, he says: "We've still days of work here, and that's assuming there isn't a car park situation at every building we go to. I just want to get on with it. Vienna knows that."

WIN A



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John Plender on the reasons for a more hostile boardroom climate

Tougher at the top

Sir Roland Smith | Sir Timothy Bevan | Sir Derrick Holden-Brown | Sir Ralph Halpern

In the old days they were fewer and more discreet. Today they are two a penny. The noisa of yet another boardroom coup has become one of the characteristic features of Britain's present recession.

The departure of Professor Sir Roland Smith from British Aerospace late on Wednesday was simply one of the more spectacular in a succession of high-profile exits from companies large and small. Top executives are finally, it seems, being held accountable for failure. But by whom? And why has the climate in the boardroom hecoma so much tougher?

The conventional explanation is that the big investment institutions are finally flexing their muscles after decades of complaining that it was not their job to act as productivity chasers hy appointment to British industry. And to a point this is true. The institutions have recently played an important part in removing unsuccessful chairmen and chief executives at a number of medium-sized companies – almost single-handedly, in the case of Norwich Union at the environmental engineering group TACE, or collectively at paper and packaging group Bunzl and food retailer Budgens.

Equally striking has been the way the big insurance companies and pension funds are no longer prepared to act as *limp-wristed, passive providers* of capital. Industrial managers and even bankers now know that institutional snpport in capital-raising operations is conditional on boardroom change where the rights issue is directed at redressing balance-sheet damage arising from past errors.

An obvious victim here was Mr Derek Lewis, the former chief executive of Granada, who was held reaponsible for a diversification programme that had failed to pay off. The demonstration effect has reverberated around the corporate sector in such a way as to prompt pre-emptive change.

At food retailer Asda the knowledge that fresh equity would be difficult to raise without a change of regime at the top contributed to the departure of its chairman and chief executive, Mr John Hardman. The fear that institutions might not support a Britisb Aerospace rights issue with Sir Roland Smith still in the driving seat provided a powerful lever to those members of the BAe board who wished to oust the otherwise limpet-like professor.

In part the increased effectiveness of institutional pressure simply reflects the growth of tbe institutions' stake in British indnstry and commerce, which now approaches 70 per cent of the outstanding equity market capitalisation. They can no longer plausibly fool themselves that they are in a position, as a group, to sell out of the corporate sector when it hits hard times.

Yet the change in climate *also reflects the unprecedented* size of the corporate sector financial deficit in the present recession. Institutional leverage is minimal except in special circumstances which call either for the provision of fresh capital or the exercise of votes in, for example, bids and deals. The spate of rights issues that is now being applied in reducing the level of ontstanding debt in overstretched balance sheets has thrown up an unex*pectedly wide area for the exer*cise of institutional influence.

Yet in purely numerical terms a majority of recent boardroom exits does not appear to be the result of direct institutional involvement. The departures of George Davies from Next, Tony Berry from Blue Arrow, Sir Ralph Halpern from Burton Gronp, John Swanson from Barratt Developments and Michael Henderson from Cookson all to a greater *or lesser degree reflected a loss* of confidence in their leadership on the part of senior executives and non-executive directors, whose numbers bave increased in recent years partly as a result of outside pressure.

In some cases, such as Sir Timothy Bevan's move from the chairmanship of BET to a mere non-executive director or Sir Derrick Holden-Brown's departure from Allied-Lyons *there was a powerful element* of doing the decent thing. The size of Allied's unexpected foreign exchange losses, at £147m, certainly called for the business equivalent of falling on one'a sword.

But it would be surprising if one of the more powerful influences at work here were not tha threat of takeover. For there has been an even more spectacular change afoot in the market for corporate control *than in the world of the insti*tutions. Between 1972 and 1982 the value of acquisitions and mergers in the UK was broadly static in nominal pounds, declining from £2.5bn to £2.2bn. Yet from 1983 to 1989 the value soared from £2.3bn to £27.3bn in a wholly unprecedented boom.

Many of those bids were aggressive; and the casb element of the takeover consideration, whicb was financed substantially by the banking system, went from 44 per cent to 82 per cent over tha same period. In an easy money climate predators enjoyed a field day. The shock to British boardrooms was overwbelming.

Today a mini-takeover boom is once again under way, with predatory blds already announced for Racal Electronics and Hawker Siddeley. Even ICI, Britain's biggest manufacturing company, is under threat from the acquisitive Hanson. So the likelihood is that a large number of boardroom coups, probably a majority, constitute a pre-emptive response to a range of pressures, of which a hostile takeover is usually a more pressing concern than institutional intervention.

To the axtent that this increased capital market discipline forces companies to act more quickly to address fundamental problems, it is welcome. There was a time when a hostile takeover was virtually the only way in which unwelcome change could be imposed un a sleepy board and in too many cases – British Leyland, *Dunlop, Distillers, Chloride* – it either came too late or not at all. But there remain doubts as to whether increased capital market pressure is not an incentive to short-termism; and that wbere management changes have taken place, opportunistic takeovers can subvert senaible industrial strategies.

The discipline is also notably selective. Most fund managers will admit in private that there are boardrooms where a dominant manager who has outstayed his welcome represents too daunting a target for the institutions to confront. Institutional investors are equally reluctant to tilt at their fellow institutions. The recent mixed management record of both composite and life insurance companies in Britain has been notable for its failure to precipitate the host of boardroom coups that the record would justify.

There remains one final respect in which managers have yet to pay the full price for failure. The striking feature of the departure of Sir Ralph Halpern from the board of Burton Group was the generosity of his compensation. There were also worries about overgenerosity in the financial terms of Sir Derek Alun-Jones's departure from Ferranti International, after the disastrous acquisition of ISC. Those worries are now to be heard again on the score of Sir Roland Smith's severance terms at BAe.

Here is an ohvious target for the institutions. Huge ongoing rewards for undeserving outgo*ing directors are surely an* anachronism in the more disciplined capital market climate that is now emerging.

Balkans peace hangs in the balance

The federal army has withdrawn from Croatia. **Judy Dempsey** on the options facing Yugoslavia

The last bastinn of the Yugoslav federation crumbled earlier this week when the Serh-dominated federal army agreed to withdraw from the repnblic of Croatia. That accord, and the ceasefire between Croatia, Serhia and Mr Veljko Kadijevic, the defence minister, may signal the beginning of a long road towards achieving stability in the Balkans.

There will be senior army officers who remain wedded to the idea that the territorial unity of the Yugoslav federation must be maintained at all costs. But the way in which young, hastily-recruited reservists responded to Croatia's show of force this week demonstrated that they did not have the stomach to continue shooting civilians, or bombarding towns and cities on Yugoslav territory.

The army capitulated for many reasons. It was not prepared to fight in Croatia, mobilise units in the central republic of Bosnia-Hercegovina, and maintain a blockade on Croatia's western ports all at the same time. Its morale was also ebbing quickly. Recruits were deserting, senior officers defecting, and some had committed suicide. Above all, the army realised that everything it was doing was contrary to what it set ont to preserve: the Yugoslav federation. Its offensive in Slovenia last June, and in Croatia and Bosnia-Hercegovina, had the opposite effect: it precipitated the federation's collapse.

The army itself blames Yngoslavia's political leaders for destroying the federation, particularly Mr Slobodan Milosevic, the president of Serbia.

Historians may agree. They are likely to argue that Mr Milosevic's policies – the forcible integration into Serbia of the ethnic-Albanian southern province of Kosovo, and the attempt to carve out a greater Serhia from Croatia and Bosnia-Hercegovina – all led inexorably to the violent end of the Yugoslav experiment.

The question is what happens next. One of the main issnes is whether democracy will be able to arise from the ruins of the old federation. The nmens, for the moment, are not good. Although the federal army is disintegrating, the future lies in the hands of politicians poorly equipped to create strong democratic institutions.

Without exception, the leaders of the six republics were elected last year on a bandwagon of nationalism. The might of the federal army may be dead hnt the force of nationalism is alive. Nowhere is it more forceful, or more poisonous, than in relations between Serbs and Croats, the two ethnic groups which hold the key to stability.

Earlier this week, the Croat government said it would regain all territories seized hy Serb paramilitary units. If it succeeds, it will still have to contend with the status of the 600,000 Serbs who make np 12 per cent of the republic's 4.5m population.

The most militant Serhs, whn live in the Krajina, a poor, undeveloped part of south-western Croatia, have insisted that they will not live in an independent Croatia. Observers think Croatia should give np the Krajina for the sake of peace. But politically, this would be suicidal for Mr Franjo Tudjman, the president of Croatia.

"If we are seen to negotiate, ceding one inch of territory to the Serbs, the Serbs will want more and more in years to come," an adviser to Mr Tudjman commented. "Mr Tudjman would then fall."

The intense anti-Serb nationalist atmosphere in Croatia, fuelled by the desire to seek revenge after the destruction of many towns and villages in eastern Croatia, does little to open the way for negotiations on the fnture status of Krajina, let alone encourage some rapprochement between Serbs and Croats in the repnblic. Over the past few weeks, the more liberal, and assimilated, Serbs in Croatia's cities and towns have become the targets of death threats by extreme right-wing Croatian nationalists, as well as smear campaigns hy the heavily-censored and nationalist Croatian press.

Serbs, for instance, are accused of being disloyal to the republic. Mr Milorad Pupovac, head of the Serbian Democratic Forum, a moderate movement which seeks reconciliation between Serbs and Croats, says Serbs must be granted a wida degree of antonomy within Croatia.

"We do not want to be part of greater Serbia. Nor do we want to leave Croatia. We must have our own antonomous political and cultural rights in this republic," he argned.

But Mr Pupovac, whose life has been repeatedly threatened, is one of the few voices of moderation in Croatia. He and likeminded liberal intellectuals argue that no matter whether the present ceasefire holds, the Serbs in Krajina would fight to the bitter end rather than live in an independent Croatia.

At the same time, the liberals believe that Croat natinnalists, gronped arownd the extreme nationalist Croatian Party of Rights, would fight to regain all the territories seized by the Serbs, would try to hold on to the Krajina, and would even attempt to incorporate Croat-inhabited regions of Bosnia-Hercegovina into the republic of Croatia.

"Mr Tudjman is an impossible position," said Mr Pupovac. "If he wants to survive, he cannot afford to be seen negotiating away territories. No matter what rights he grants the Serbs in Krajina, they will not accept them. We could have guerrilla warfare here, inspired and orchestrated hy fascist movements. It will be very difficult to build democracy in Croatia."

Building democracy in neighbouring Serbia is equally fraught. Mr Milosevic, who has suffered a serious setback in his quest for a greater Serbia, is now saddled with a disgruntled, emasculated army, rebellious ethnic Albanians in Kosovo, and the rise of the extremist Chetnik movement. Like Mr Tudjman, Mr Milosevic is beholden to Serbia's nationalist-fascist movement. Serhia's Chetniks will not give np Kosovo, or the Krajina. The Croatian Party of Rights will not negotiate any of its lands away.

It is unclear what role the European Community can play in isolating these extremist movements. At present, the EC is setting np an arhitration committee which will look at how Yngoslavia's internal borders can be redrawn. The EC will have to tread carefully. It will have to weigh np the political costs of keeping Mr Tudjman and Mr Milosevic in power, against the possihility of negotiating a lasting solntion to the Yngoslav crisis. The future of the two presidents hangs in the balance.

LETTERS

Inefficiency is everywhere

From Mr C W Newton.

Sir, I have read Mr David Sawers' letter about the Monopolies and Mergers Commission report on London Underground with interest.

London Transport and London Underground recognise the need to improve efficiency. It is a challenge we are accepting with determination and we expect to publish our plans in November.

But the MMC report makes clear that "it is unrealistic to expect increased efficiency on the part of LUL, imperative though this is, to bridge the gap".

It is not surprising that in an intensive review lasting six months, the MMC found areas of inefficiency. This would be the result of a similar review conducted on almost any company in the land.

C W Newton,
chairman,
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Reality and the Citizens' Charter

From Ms Elizabeth Clements.

Sir, Recently we have heard much of the prime minister's ambition to create a society of opportunity which rewards people on merit. The "Citizens' Charter" was heralded as the start of a new age of accountability for public industries and institutions. In my experience, reality is somewhat different.

Despite having taken a first-class degree from Oxford University this year I have not been awarded funding for postgraduate studies by the British Academy. My disappointment is shared by more than 100 holders of first-class degrees or MAs with distinction. The British Academy is now turning away well-qualified candidates because of a severe shortage of government funds: to me this represents a narrowing of opportunity and a waste of talent which cannot be reconciled with the government's stated aims.

The British Academy refuses to give any reasons for its decisions, or to publish any statistics relating to its competition. Surely this is now an untenable position for a public body charged with distributing taxpayers' money.

Elizabeth Clements,
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When a 'fault' does not justify BT compensation

From Mr Ian Pleeth.

Sir, Michael Skapinker, in his article, "BT pledges on services to customers published" (September 21), reports BT's words accurately; I know, because I received a letter addressed to me from Philip Mounsey, who, according to BT, is its campaign manager, customer services, Bristol. He states: "We'll guarantee that, if a fault does occur on your line, we'll fix it within one working day. If we fail to meet this deadline, you'll be able to claim the cost of one month's line rental for every day it takes until your line is fixed."

At about this time I had "a fault" on my line. We are a village of only nine houses with more than one "Martha Woodforde" in our "Ambridge". A neighbour and I had a crossed line, which meant that under these circumstances our telephones were more than useless.

It took more than one week to "untangle" our lines and so be able to talk with confidentiality, but when we approached BT for compensation we were informed that "a fault" is not enough. It appears that BT's pledge on their repair deadline only applies to a dead line.

I telephoned Bristol to get Mr Mounsey's comments. He has not returned my calls.

Ian Pleeth,
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Information must be timely, accurate and freely available

From Mr Neil Ostrom.

Sir, Mr T Turner (Letters, September 17) said that private shareholders are at a disadvantage compared with the institutions in regard to information abont rights issues. This may he simplistic, as it ignores the role the institutions play in promoting success of rights issues. Moreover, their involvement also provides shareholders with several options. They can subscribe at the qnoted price, wait for a later buying opportunity, do nothing, or sell their shares.

However, mention of directors' transactions in the Weekend FT does not always benefit shareholders, as two recent examples indicate.

When two directors of ACT sold 1.45m shares at 117p, the price dropped to 108p, only to rise quickly thereafter to 146p. On telephoning the company, I was given a reasonable explanstion for the sales, but I wonder how many shareholders were persuaded to sell prematurely.

A similar instance arose when controlling shareholders disposed of part of their holding in Betterware at 300p. Following the subsequent bonus issue, however, the shares soon rose to an equivalent level of 392p.

One recent director'a sale, noted on September 13 bnt not yet made public, was the sale of 1.25m shares hy the chairman of MTM. In this case the share price had begun to slip, despite the announcement of doubled profits, from 265p on September 2 to its present 241p. Someone seems to have had advance access to information not generally available.

It seems to me that if the stock exchange wants to see a widening of share ownership then something should to be done to ensure that information is timely, accurate and freely available.

Neil Ostrom,
Priestfield,
Watts Lane,
Chislehurst, Kent

Bond at issue

From Canon Pat Mason.

Sir, Re Archhishop Trevor Huddleston's letter (September 20) opposing the subscription by banks to the proposed bond issue for South Africa, I hope the banks will take a reasonable view and subscribe to it.

Pat Mason,
30 Green End,
Comberton,
Cambridge CB3 7DY

Global networks and investment managers

From Mr Matthew Green.

Sir, I was puzzled by the article, "Clients move from Global to local services," (Global Custody Survey, September 24). We only use three custodians, all of whom are product specialists with complete global coverage. This arrangement works well.

The critical mass for running a cost effective network of sub-custodians is very high, even with access to SWIFT. Communication links are only part of the difficulty: sub-custodian management is an intensive user of management time, and large suppliers inevitably have more leverage. With good quality global custody now available, local suppliers are less attractive.

Our view is that investment managers will increasingly use single global networks of custodians, the opposite of what you suggest.

Matthew Green,
director, client administration,
Henderson Investment Services,
3 Finsbury Avenue,
London EC2M 1PA

Britain has its rental trap and France its mortgage interest relief

From Mr J D Graham.

Sir, Re Mr Martin Angel's discussion (Letters, September 16) of how to encourage the provision of rented accommodation, no one in the government, or outside it, ever appears to recall the history of rented furnished accommodation and the reason for the lack of it, which is the 1974 Rental Act which gave security of tenure to furnished tenants.

In the seven months or thereabouts before the act becoming law, rented furnished accommodation practically vanished in the UK. The reason was that an 18-year-old university student could rent a room and, provided he paid the controlled rent, could die in it and his son could inherit under the same conditions. London University students the next term were sleeping in sleeping bags in the corridors of the university.

In the block of four terraced houses where we lived we rented two flats and a maisonette; our immediate neighbour rented four beautifully arranged bed-sitters; and one of the remaining two houses rented two rooms. Within 12 months of this act, the block was empty except for one long-term tenant of ours.

In 1978 or 1979, just before the Tory landslide, a report on the effects of this legislation was prepared on the instructions of Mr Peter Shore and suppressed.

This legislation has destroyed the bridge between living at home and buying a house and is largely responsible for the number of tragic repossessions that we are seeing taking place now.

Incidentally, one of the principal protagonists of this legislation was Mr Des Wilson of Shelter with the same Utopian ideas that he now promotes for the Liberal Democrats.

J D Graham,
Quarry House,
Heath Road,
Brixham TQ5 9AU,
Devon

From J Armitage.

Sir, In the article on French property ("Financial Focus, international property: Homes to hand down", September 21) your correspondent is not correct when be says that there is no mortgage interest tax relief for owner occupiers in France. Reductions of income tax are available on loan interest on the purchase of the principal residence but there are a lot of conditions and complications.

The most advantageous are for new dwellings since June 1 1986 where the maximum tax reduction for a married couple without children would be Fr50,000 x 25 per cent = Fr7,500 each year for the first five years of the loan.

J Armitage,
chartered accountant,
7, Place Salvador Allende,
94000 Creteil,
France

Fax service

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BUILDING SOCIETY INVESTMENT TERMS

	Product	Gross CAR	Net/ CAR	Interest paid	Minimum balance	Access and other details
Alliance and Leicester	Special Return	12.25	9.19	Yearly	£10,000	2yr term 10% inst acc fac mth int av.
	Ninety Day	11.25	8.44	Yearly	Tiered	10.75/10.30/9.75/9.35
	Midas	10.60	7.95	Yearly	£25,000	10.00 £10K plus instant access
	Instant Access	9.70	7.28	Yearly	Tiered	9.30/9.20/8.90/8.60/inst acc
	Tessa	11.80	N/A	Yearly	£10	38 days not/mth. int. av
Barnsley (0226 733999)	Summit	11.25	8.44	Yearly	£50,000	90 days'not/pen £10K inst acc/M.I.
Birmingham Midshires (0902 710710)	Quantum Tessa	12.00	N/A	Yearly	£25	30 days penalty
	Quantum High Int	11.88	8.85	½ Yearly	£50,000	60 days not/pen inst acc. £10K+
Bradford and Bingley(0274 561545)	Maximiser Bonus	8.50	6.38	Yearly	£1,000	Inst./Bonus for no withdrawals
	Maximiser Bonus	9.50	7.13	Yearly	£10,000	Inst./Bonus for no withdrawals
	Maximiser Option 6	11.00	8.25	Yearly	£2,500	6mths not/pen (90.50% gross mthly inc)
	Max High Rte Tessa	12.25	N/A	Yearly	£9,000	Inc 1%£ pa bonus (12.25%£ on spec acc)
	Maximiser Elite 7	11.45	8.59	Yearly	£5,000	Gaur. 6% gross p.a. above
	Maximiser Elite 7	11.78	8.84	Yearly	£25,000	Ord. A/C gross rate for 12 months
Bristol and West (0272 294271)	Select	10.25	7.69	Yearly	£50,000	Inst. Acc. No penalty.
	Select	10.00	7.50	Yearly	£25,000	Choice of passbook, cashcard
	Select	9.70	7.28	Yearly	£10,000	and, (if £2,000
	Select	9.10	6.83	Yearly	£2,000	remains in account) cheque book
	Select	8.40	6.30	Yearly	£500	with £100 guarantee card
	Select	3.40	2.55	Yearly	£1	
	Tessa Plus	11.65	N/A	Yearly	Tiered	10.15/6.15 + 2% bonus in 1st year
	High 30	11.00	8.25	Yearly	Tiered	10.90/10.60/10.05/9.45/9.10 High interest with only 30 days notice
Catholic (071-222 6736/7)	Tessa	13.75		Yearly	£10	£10-£150 monthly. £10-£3000 max.
Century(Edinburgh)(031 556 1711)	Fxd Rate 2/3 Yrs	11.00	8.25	Annually	£1	Gtd rate. Instant Acc on loss of interest.
	Ordinary Shares	10.25	7.64	Choice	£1	Instant access. No penalty.
Cheltenham & Gloucester	London Shore Acc	11.15	8.36	Yearly	£2,500	Instant access/by post
(0800) 717505	C&G Flexi-Tessa	10.90	N/A	Yearly	£100	* Tax-Free
Chesham (0992 26261)	Spec 90 Shares	11.30	8.48	Yearly	£50,000	90 days' notice/penalty
	Instant Access	10.05	7.54	Yearly	£20,000	Instant Access/Tiered Account
	TESSA	12.25	N/A	Yearly	£1	+1% of Capital Bal. on Maturity
Coventry (0203 252277)	Moneymaker	8.80	6.60	Yearly	£10,000	Instant access, no penalty
	Moneymaker	7.80	5.85	Yearly	£5,000	Mthly int. £10,000 - 8.4o%
	3 Year Bond	11.55	8.66	Yearly	£40,000	With 90 days' notice ce penalty
	3 Year Bond	11.15	8.36	Yearly	£25,000	monthly income option.
	3 Year Bond	10.40	7.80	Yearly	£1,000	
	Instant Option	11.55	8.66	Yearly	£40,000	
	Instant Option	11.15	8.36	Yearly	£25,000	Inst acc/no pen.
	Instant Option	10.40	7.80	Yearly	£10,000	Monthly income option
	Instant Option	9.50	7.12	Yearly	£5,000	
	Tessa	11.55	N/A	Yearly	£1,000	Mthly int 10 %8 tax exmpt spec. sav. acc.
Halifax*	90-Day Xtra	9.36	6.98	½-yearly	£500	90 days, but
	90-Day Xtra	9.78	7.29	½-yearly	£5,000	instant where
	90-Day Xtra	10.62	7.91	½-yearly	£10,000	£5,000 remains
	90-Day Xtra	11.14	8.31	½-yearly	£25,000	
	90-Day Xtra	11.78	8.77	½-yearly	£50,000	
	Tessa	12.25	N/A	yearly	£50	5yr term with 2 bonuses
Lambeth (071 928 1331)	2 Year Term Share	11.70	8.78	Yearly	£500	60 days notice after 1 year 10 months
Lancastrian (061 643 1021)	Masterplan	10.80	8.09	Yearly	£25,000	Instant access no penalty
	30 Day Notice Acc	11.60	8.70	Yearly	£50,000	w/d per month of £5000 w/d pen
Leeds & Holbeck (0532 459511)	Monthly Interest	11.16	8.370	Monthly	£100,000	11.76 annual - 90 days notice
	Select Notice	11.50	8.625	Yearly	£2,500	12 mths notice. 10% of bal exc.
	7essa	12.25	N/A	31 Dec	£1	Plus ½% extra int. year 5
Leeds Permanent (0532 438181)	Solid Gold	11.10	8.33	Yearly	£50,000	3mth Tiered rates from £500
	Liquid Gold	9.80	7.35	Yearly	£10,000	Inst acc. No pen. Tiered rates from £25
Marsden (0282 692821)	Rainbow 90	11.35	8.51	Yearly	£50,000	90 days notice
	Rainbow 90	11.20	8.40	Yearly	£25,000	90 days notice
Mornington (071-485 5575)	Mornington 90	12.00	9.00	Yearly	£30 000	£10K+ Imm. -£10K 90d nt/pn.
National & Provincial*	Private Reserve	9.45	7.08	Yearly	£500	90 days notice/
		9.55	7.16	Yearly	£2,500	penalty Two
		9.75	7.31	Yearly	£ 5,000	free withdrawals
		10.30	7.72	Yearly	£10,000	of ea to £2k per annum.
		10.75	8.06	Yearly	£25,000	Instant access above £10k.
		11.25	8.43	Yearly	£50,000	Interest paid 1 June.
		11.40	8.55	Yearly	£100,000	
Newcastle (091 2326676)	Nova Plus Special	11.60	8.70	Annually	£200,000	Instant Access
	Nova Plus	11.24	8.33	Monthly	£50,000	Instant access. Tiered A/C
	TESSA	11.35	N/A	Annually	£1	1% maturity bonus on 1st years cap invest.
North of England (091 5656272)	Prestige Monthly	11.00	8.25	Monthly	£50,000	60 days not/pen. Tiered from 15k.
	Tessa	12.50	N/A	Yearly	£10	7xr exempt where capital remains 5 years
Northern Rock (091 285 7191)	Current Account	11.25	8.33	Monthly	£25,000+	Instant Access £500 min opening credit
		10.10	7.50	Monthly	£10,000+	Instant Access £500 min opening credit
		9.40	6.98	Monthly	£2,500+	Instant Access £500 min opening credit
		5.85	4.36	Monthly	£1,000	Instant Access £500 min opening credit
		4.49	3.35	Monthly	£1+	Instant Access £500 min opening credit
Norwich & Peterb'gh (0733 371371)	Special 85	11.57	8.56	Choice	£50,000	85 days' notice/penalty
Nottingham (0602 481444)	Blue Chip Thirty	12.10	N/A	Yearly	£5,000	30 dys not/inst acc to 10% A/C bal 6 mthly
Portman (0202 292444)	Monthly Interest	10.47	7.76	Monthly	£20,000	1 months notice
	Instant Access	10.00	7.50	Annual	£500	No notice, no penalty
Principality (0222 344188)	Tessa	11.50	N/A	Annually	£25	Tax exempt where capital remains 5 yrs
Scarborough (0723 368155)	Ninety	11.25	8.43	Yearly	£25,000	90 0 not/pen 250+ 9.75 5k+ 10.50
	Excelsior	11.25	8.43	Monthly	£25,000	1 yr term guaranteed 4% diff
Skipton (0756 700500)	Sovereign Shares	11.40	8.55	Yearly	£50,000	Instant access. No penalty
	Skipton Ninety	11.50	8.625	Yearly	£50 000	90 days notice ce penalty
	Skipton Ninety	11.25	8.438	Yearly	£25,000	90 days notice or penalty
	Skipton Ninety	11.00	8.25	Yearly	£10,000	90 days notice or penalty
	Money Market Plus	12.00	9.00	Yearly	£2,500	Fixed until 7.10 91 maturity 31.12.91
Stroud and Swindon*	Summit	12.00	9.00	Annually	£40,000	90 day notice/penalty
Town and Country (071-353 1476)	Supershares	11 00	8.25	Yearly	£50,000	instant access, tiered from £1
	Super 90	11.50	8.62	Yearly	£50,000	90 Days not/pen. Instant on £10K+
	Super 7essa	12.00	N/A	Yearly	£1	60 days notice
Woolwich	Prime Gold	11.25	8.44	Yearly	£50,000	Instant access
	Prime Gold	10.85	8.14	Yearly	£25,000	Choice of passbook or card
	Prime Gold	10.35	7.76	Yearly	£10,000	Monthly interest with passbook option
	Prime Gold	9.35	7 01	Yearly	£500	only - Rates avail on request
	Prime Gold	2.35	1.76	Yearly	£1	
Yorkshire (0274 734822)	Tessa Premier	12.25	N/A	Yearly	£100	90 days notice/penalty
	Key 90 Plus	11.75	8 81	Yearly	£100,000	90 days notice/penalty
	Key 90 Plus	11.50	8.63	Yearly	£50,000	90 days notice/penalty
	Key 90 Plus	11.00	8 25	Yearly	£25,000	90 days notice/penalty
	Key 90 Plus	10.75	8.06	Yearly	£10,000	90 days notice/penalty
	Platinum Key	9.00	7.35	Yearly	£25,000	Instant access - 10,000 minimum
	Platinum Key	9.20	6.90	Yearly	£10,000	Instant access - 10,000 minimum
	Platinum Key	8.80	6.60	Yearly	£500	60 days notice/penalty

*For telephone see local directory. CAR = Annual yield after interest compounded effect of back rate tax

28/9

UK COMPANY NEWS

NatWest in life assurance venture

By David Barchard and Richard Lapper

NATIONAL WESTMINSTER, the second largest UK banking group, yesterday confirmed that it is to enter the life assurance business.

It will set up a new subsidiary, National Westminster Life Assurance, in a joint venture with Clerical Medical, the Bristol-based mutual insurer, to sell insurance and pensions products to the bank's 6.5m customers.

The new company will have capital of £150m, of which NatWest will own 92.5 per cent. NatWest is the second major UK bank to enter the life assurance market within the space of three days. On Wednesday Abbey National announced that it is to acquire Scottish Mutual Assurance.

NatWest will continue to operate as an independent financial adviser through its NatWest Insurance Services subsidiary, but the bulk of its effort is likely to focus on direct sales by NatWest Life. Last year NatWest sold 150,000 life policies generating about £45m of commission income.

The bank's branches will now effectively become "tied agents" of the new subsidiary.

Mr Derek Wanless, chief executive of NatWest UK Financial Services, said the new subsidiary would start selling policies in the second half of 1992 and is aiming for a target of 300,000 policies by 1993, generating £300m in premium income.

NatWest will build a salaried sales force of 3,000 people – many of whom it hopes to recruit from within the ranks of its existing bank employees. A further 1,000 new back office jobs will be created at the insurance company's headquarters in Bristol over the next five years.

NatWest, was the only one of the Big Four clearing banks committed to independent financial advice after the introduction of the provisions of the Financial Services Act in 1988.

Bradford & Bingley and Yorkshire Building Society, the two remaining large institutions which have not yet become tied agents for insurance sales, both expressed disappointment at the shrinking of the independent financial advice market.

Clerical Medical, the sixth largest mutual life assurance company and the 15th largest UK life company, will supply fund management and systems services to the joint venture. The company will continue to sell, through independent financial advisers, a full range of life insurance products, including a number not sold by NatWest Life such as group pensions.

See Lex

Scot Cities bids for Anglo Scandinavian

By Philip Coggan, Personal Finance Editor

SCOTTISH CITIES Investment Trust yesterday turned the tables by launching an £18m bid for Anglo Scandinavian Investment Trust, just three months after the failure of an Anglo Scandinavian offer for one of Scottish Cities' sister trusts.

SCIT has already acquired a 10 per cent stake in Anglo Scandinavian (ASIT) and has received irrevocable acceptances in respect of a further 14.99 per cent. ASIT made a bolding statement yesterday, advising shareholders to take no action.

Anglo Scandinavian launched a £8m bid earlier this year for Lancashire & London Investment Trust, a smaller companies specialist which, like SCIT, is managed by Finsbury Asset Management.

Finsbury, with its associated trusts, is part of a complex network of companies built up by Sir Walter Salomon, founder of the Rea Brothers merchant bank. A third Finsbury managed trust, Scottish and Mercantile, holds stakes in both SCIT and Lancashire & London.

Anglo Scandinavian, which invests solely in other investment trusts, owns stakes in all three trusts managed by Finsbury and the holdings now represent 55 per cent of its net assets. After the failure of its bid for Lancashire & London, it was left with a 40 per cent stake.

Mr Michael Reeve, SCIT's chairman, said: "ASIT shareholders have not seen any capital appreciation since its flotation and its discount to net asset value is wider than the sector average. Scottish Cities' offer for ASIT provides shareholders with a realistic solution to the dilemma."

If the bid goes through, SCIT will cancel ASIT's shareholding in itself and place the remainder of its portfolio with outside investors. SCIT will also then simplify its own voting structure, enfranchising its non-voting "A" shares and disenfranchising its preference shares.

The offer, as is usually the case with investment trust bids, is based on the formula asset value (FAV) of ASIT. This is about 4p per share less than its net asset value, currently 102p per share.

SCIT is offering 90.25 per cent of the FAV of ASIT in shares, or 82 per cent in cash. That makes the paper offer worth about 88p per share, and the cash offer 80p. SCIT is also offering to buy ASIT warrants for 10p in cash.

The SCIT voting shares jumped 27p to 870p yesterday with the non-voting shares gaining 45p to 820p. ASIT shares were unchanged at 86p.

BTR attacks Hawker record

By Jane Fuller

BTR, the industrial conglomerate bidding nearly £1.5bn for Hawker Siddeley, the engineering group, has attacked "a decade of disappointment" at its target.

The offer document, released yesterday, weighs in with graphs showing that Hawker's turnover, trading profit and earnings per share have fallen to real terms since 1981.

It contrasts the stagnant figures with its own growth and trading margins, which have averaged 14 per cent over the period compared with Hawker's 8.1 per cent.

Hawker said the bid was inadequate and its future did not lie with BTR, "a sprawling conglomerate".

Central TV falls 50% to £3m

By Raymond Snoddy

CENTRAL Independent Television is to intensify its campaign for more even-handed rules on takeovers of television companies across the European Community.

Mr Leslie Hill, chairman and chief executive, yesterday attacked the disparity in present regulations which will allow EC television companies to takeover ITV companies from 1994 while national regulations prevent British television companies mounting takeovers in most EC countries.

"We believe this anomaly should be rectified and will continue to draw the situation to the attention of the British and European Parliaments," Mr Hill said.

He was speaking as the second largest ITV company announced a 50 per cent drop in pre-tax profits to £3.4m in the six months to June 30. Turnover fell by 9 per cent to £139.7m with advertising revenue down at £102.2m (£113.4m). Earnings per share were 7.9p (15.9p) but the interim dividend has been held at 7.5p.

He also complained about the punitive effect of the special Exchequer levy on ITV profits. The levy together with taxation accounted for 80 per cent of Central's profits before levy.

Analysts are forecasting £16m-£17m for the full year.

Despite the poor half, Central's longer-term position, relative to the rest of the commercial television industry, is very strong. The company guessed correctly that it would be unopposed in the competitive tenders for new franchises and bid only £2,000 a year.

It is for that reason that Mr Hill wants to even up the takeover rules. Central is aware it could be a takeover target. But the company would also like to be free to be able to own up to 25 per cent of the ITV market in the UK and use the enlarged base to expand into Europe.

Central is disappointed however that Home Office ministers do not appear to be treating the issue seriously. The Home Office recently said it had decided the position in Europe should be investigated and further action taken through the EC if necessary.

Takare seeks further £60.2m for expansion

TAKARE, the nursing home group, is seeking to raise £60.2m by issuing shares and debenture stock to fund its ambitious building programme, writes Jane Fuller.

The share placing and open offer, on a 2-for-5 basis at 140p a share, will raise £34.7m, increasing the number of shares in issue from 63m to 88m. This takes the total Takare has raised to equity issues to £74.7m since it gained a full listing in April 1988.

Another £25.5m will come from debenture stock, adding to the £15.75m raised in May and making a total of £50m, yielding 11.8 per cent.

Takare forecast full-year profits 70 per cent higher at £7.5m, having announced interim pre-tax profits of £3m on turnover of £12.4m.

Mr Hamilton Anstead, finance director, said that before yesterday's fund-raising, the group had a £3m overdraft. Afterwards it would have £56m cash, which would fall to between £30m and £35m by the end of the year, giving net debt of about £15m and gearing of 18 per cent.

A further 18.4m shares have been placed with institutions as Singer & Friedlander, the merchant banking and property group, decided to dispose of its 29.1 per cent stake. The gross proceeds at 140p a share were almost £26m, compared with a book value of £20.5m. S&F said the funds would be used to repay loan stock.

De Zoete & Bevan is handling the share placements.

Takare's share price gained 2p yesterday to close at 151p.

FT-Actuaries Indices changes

The following changes have been decided by the FT-Actuaries Classification Sub-Committee:

Deletions: Baggeridge Brick (group 2); Erskine House Group (48); Rutland Trust (70); 600 Group (7).

Additions: Betterware Consumer Products (34); Bimec Industries (48); Fleming Emerging Markets Investment Trust (71); Hi-Tec Sports (29).

Reclassification: Henry Barrett Group (from 7 to 8).

All the above changes will take effect from October 1, 1991.

Evered Bardon slides by 50% to £10.3m

By Andrew Taylor, Construction Correspondent

MR ROY Kettle, who turned Evered Bardon from a Midlands-based engineering group into one of the UK's biggest aggregates producers, yesterday resigned as one of the company's most senior executives.

News of Mr Kettle's resignation accompanied the company's announcement that pre-tax profits had fallen by 49.5 per cent to £10.3m in the six months to the end of June. Net interest payable jumped to £9m (£3.8m).

The company – which also has US aggregates interests – maintained its interim dividend at 1.935p. This was only just covered by earnings of 2p (5.7p) per share.

Mr Kettle was chief executive of Evered until the company acquired rival quarry group Bardon in an agreed £87m share offer at the beginning of this year. He became executive vice-chairman following the merger and will now become non-executive deputy chairman.

Mr Peter Tom, formerly chairman and chief executive of Bardon, will remain chief executive of the merged group. He said that Mr Kettle's decision to stand down at this stage had occurred only slightly earlier than had been planned and had been mutually agreed with the board.

Mr Kettle, 67 and a former joint managing director of Tarmac, the UK's biggest building materials and construction group, had been the driving force behind a series of acquisitions made by Evered. These took the group into the top six British aggregates producers.

In the process Evered's net debt has risen to £300m – equivalent to three-quarters of shareholders' funds of just under £400m.

Mr Tom said yesterday that the group would not be making any further acquisitions, other than very small purchases. Its priority was to reduce gearing to about 40 per cent. This would be achieved over the next 18 months by selling peripheral and under-performing businesses and making further cost savings.

The group had reduced its US labour force by 20 per cent and its UK workforce by 11 per cent during the 12 months to the end of August.

● COMMENT

UK profits, after allowing for the effects of the merger, fell by about 31 per cent in the first half. In the US, the decline was about 45 per cent. The ending of moratoria on infrastructure spending in Maryland and Massachusetts will help a bit but not until next year. Little improvement is expected in the UK. Businesses for sale may include clay floor tiles, natural stone and concrete block companies in the UK. In the US the Indiana and North Carolina businesses look vulnerable. Proceeds from disposals, however, will take time to come through if fire sales are to be avoided. Pre-tax profits this year may be about £28m. Management is going in the right direction but a long haul lies ahead. Not a buy at this stage.

Ferranti 'unlikely to be profitable this year'

By Michael Skapinker

FERRANTI International, the defence and electronics group, is highly unlikely to be profitable this year, Mr Eugene Anderson, the chairman, told the annual meeting.

Mr Anderson said yesterday that shareholders should not expect litigation against those responsible for the fraud at ISC, Ferranti's US subsidiary, to yield much to the way of compensation.

Last month Ferranti reached a £40m settlement with Peat Marwick, the accountant, over its auditing of ISC's books. Mr Anderson indicated that this payment, made without admission of liability, was likely to be the last substantial compensation that Ferranti received.

He said the company was attempting to enforce judgments against Mr James Guerin, Ferranti's former deputy chairman, and his associates. But he added: "There's very little chance of getting any significant money from the alleged fraudsters. I'm sad to say there's no bonanza."

Mr Anderson said Ferranti had won contracts worth £127m in the first five months of the current year.

Plunge to £38m loss at London Securities

By Vanessa Houlder, Property Correspondent

LONDON SECURITIES, the property and investment group, plunged to pre-tax losses of £37.9m for the year to March 31, against profits of £8.27m.

The bulk of the losses stemmed from a £30.1m exceptional item, which was composed of a £7.5m provision against investment property, a £9.4m provision against share stakes, a £1.5m provision against unquoted investments, a £7.2m provision against development land and a £4m provision which resulted from a joint venture partner going into receivership.

Trading losses of £6.5m resulted from a lack of asset disposals. The sales of shares in Clarke Nickolls & Coombs and Five Oaks and properties at Streatham and Aylesbury contributed £7.4m to the losses, although they provided a total cash surplus of £2.6m and cut borrowings by £6.8m.

Gearing is now 200 per cent. The company said that it may have breached its banking facilities. However it said its banks had given their support and had allowed it to amend and increase its facilities, where appropriate.

Mr David Pearl, chairman, said that the prime concern was to survive. In the absence of profits from disposals, further losses were inevitable.

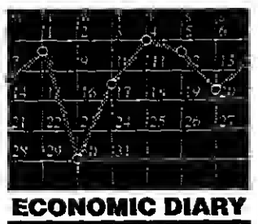
Losses per share were 58.9p (earnings 7.5p). The diluted net asset value has shrunk from 50p a share to 18p.

Clayform cuts loss

Clayform Properties, the highly-borrowed developer and shoe retailer, has cut pre-tax losses from £9.9m to £6.6m for the first half of 1991.

However, the pre-tax loss before exceptional items worsened from £3.6m to £5.8m. The exceptional loss of £800,000 stemmed from a £500,000 provision against developments in progress and a £300,000 compensation payment.

Income from its Stead & Simpson retailing operation fell from £5.7m to £2.3m, as a result of the recession and VAT increases. Turnover fell from £48.6m to £39.6m. There is no interim dividend.



ECONOMIC DIARY

MONDAY: UK: engineering selee end ordera (July); benks' quarterly enelysie of lending (June-August); vehicle registrations (August). London eterling certificates of deposit (August); monetary statistics including bank end building aociety belence sheets (Auguet); bill turnover statistics (August); sterling commercial paper (August). US: treasury eale of three- end six-month bills; machine tool orders; Chicago purchasing managers' report (September); agriculturel pricee. Japen: conetruction ordars and houeing starts (August). Germeny: industrial production (August).

TUESDAY: UK: launch of marketing campaign for sale of Bt ehares. Luxembourg: environment ministers hold first talks on EC fuels tax. US: Federal open merket committee meets; construction spending (August); NAPM index (September). Japen: unemployment rate (August); foreign exchange reserves (September). Australia: current account (August).

WEDNESDAY: UK: official reserves; detaile of employment, unemployment, earnings, prices and other indicators; advence energy statietics (August); overseas travel and tourism (July). US: new home sales.

THURSDAY: UK: Lloyd's of London council meeting. Germeny: netionel holiday for reunification; deadline for Bundeebenk reorgenisation. US: factory ordere (August); euto sales (Saptember 21-30); money supply (week to September 23). Canada: foreign exchenge reserves (September). Auetralia: building approvale (August).

FRIDAY: cyclical indicatore for the economy (July 3rd estimate); houeing starts end completions (August). Madrid: eigning of Antarctic Treaty. US: non-farms payrolle and unemployment rate (August); average workweek, hourly earnings and housing starts (August). Japan: IMF basie August trade balance, current account end foreign bond investment. Canada: leading indicators (July). Denmark: budget.

SATURDAY: The Hague: EC foreign ministers informal two-day meeting.

FT-ACTUARIES SHARE INDICES

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	EQUITY GROUPS & SUB-SECTIONS. Figures in parentheses show number of stocks per section	Friday September 27 1991: Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (Act. at 25%)	Est. P/E Ratio (Net)	xd adj. 1991 to date	Thu Sep 26 Index No.	Wed Sep 25 Index No.	Tue Sep 24 Index No.	Year ago (approx) Index No.	Highs and Lows Index 1991 High		1991 Low		Since Compilation High		Since Compilation Low	
1	CAPITAL GOODS (184)	856.21	+0.1	9.24	5.65	13.49	28.07	855.24	851.80	847.24	675.36	890.04	15/3	675.31	16/1	1038.07	16/7/87	50.71	13/12/74
2	Building Materials (24)	1061.35	-0.4	7.31	5.87	17.93	33.99	1065.74	1068.10	1066.77	864.16	1167.75	14/3	911.64	16/1	1381.08	16/7/87	44.27	11/12/74
3	Contracting, Construction (31)	1166.69	+0.1	8.26	6.23	16.42	42.94	1165.50	1158.36	1159.04	1018.06	1438.66	15/3	1051.83	23/1	1951.50	16/7/87	71.48	2/12/74
4	Electricals (11)	2652.02	.....	8.24	4.98	15.54	69.65	2651.75	2634.63	2630.54	1857.04	2653.97	20/9	1837.98	22/1	3040.80	8/9/89	84.71	25/6/62
5	Electronics (25)	1795.58	+0.9	10.67	5.31	11.85	49.11	1780.18	1774.16	1764.82	1518.77	1958.19	15/3	1478.08	16/1	2308.22	19/5/89	1229.01	8/10/85
6	Engineering-Aerospace (8)	376.82	-1.3	16.40	6.66	7.36	14.36	381.88	377.36	374.17	408.06	469.23	9/4	368.73	17/9	502.42	13/6/90	368.73	17/9/91
7	Engineering-General (45)	495.72	+0.6	10.02	5.17	12.33	14.61	492.56	495.51	493.42	361.71	502.99	6/9	339.57	23/1	505.10	15/6/90	339.57	23/1/91
8	Metals and Metal Forming (8)	466.44	+0.3	14.05	7.57	8.64	17.48	464.96	461.96	455.74	384.16	509.18	3/4	381.44	16/1	596.67	9/10/87	49.65	6/1/75
9	Motors (12)	355.29	-1.5	8.40	6.78	15.20	14.36	360.72	362.25	360.14	267.73	371.25	6/9	266.43	16/1	411.42	13/10/87	19.91	6/1/75
10	Other Industrial Materials (20)	1635.48	+0.5	7.76	4.99	15.32	55.15	1626.95	1608.25	1594.10	1145.00	1695.01	2/9	1147.76	16/1	1881.53	18/8/89	227.55	15/1/81
21	CONSUMER GROUP (187)	1544.24	.....	7.47	3.62	16.53	30.65	1543.61	1550.91	1544.12	1123.61	1590.33	6/9	1188.45	16/1	1590.33	6/9/91	61.41	13/12/74
22	Brewers and Distillers (22)	1935.56	+0.5	8.00	3.47	15.21	34.88	1926.83	1931.07	1923.49	1378.48	1950.74	20/9	1478.24	25/1	1950.74	20/9/91	69.47	13/12/74
25	Food Manufacturing (19)	1221.05	-0.2	9.29	4.10	13.30	26.32	1224.01	1233.17	1225.03	973.49	1246.39	12/9	1013.60	16/1	1246.39	12/9/91	59.67	11/12/74
26	Food Retailing (17)	2475.54	-1.0	8.99	3.41	14.54	45.01	2500.11	2540.42	2524.83	2237.03	2854.91	2/15	2259.53	2/1	2854.91	2/5/91	54.25	11/12/74
27	Health and Household (22)	3667.48	+0.8	5.51	2.58	20.80	58.20	3639.41	3684.93	3670.09	2292.65	3802.79	2/9	2454.93	16/1	3802.79	2/9/91	175.58	28/5/80
29	Hotels and Leisure (23)	1336.97	-0.2	8.06	5.27	15.15	37.66	1340.07	1344.70	1339.34	1120.48	1405.62	2/9	1066.91	25/1	1846.77	8/9/89	54.83	9/1/75
30	Media (26)	1556.02	-0.2	6.92	4.56	18.87	41.29	1559.24	1550.77	1536.96	0.00	1565.67	20/9	1166.91	16/1	1565.67	20/9/91	1166.91	16/1/91
31	Packaging, Paper & Printing (17)	772.27	+0.9	7.28	4.22	16.67	22.26	765.36	763.14	760.01	470.91	788.41	9/9	486.96	16/1	788.41	9/9/91	43.46	6/1/75
34	Stores (32)	989.60	-0.7	7.68	3.77	16.96	18.14	996.50	998.72	990.16	725.01	1037.47	2/9	766.89	29/1	1160.58	29/7/87	52.63	6/1/75
35	Textiles (9)	629.08	-0.4	7.32	4.94	17.33	15.16	631.67	634.16	634.36	395.22	651.48	12/9	396.58	28/1	914.52	2/10/87	62.66	11/12/74
40	OTHER GROUPS (109)	1295.68	-0.1	9.31	5.01	13.50	35.14	1297.06	1298.46	1281.58	937.04	1304.42	2/9	961.05	16/1	1304.42	2/9/91	58.63	6/1/75
41	Business Services (12)	1400.24	+1.0	7.78	4.66	15.91	30.08	1386.35	1385.92	1381.79	0.00	1443.52	18/9	892.28	1/2	1443.52	18/9/91	892.28	1/2/91
42	Chemicals (21)	1468.22	+0.7	6.90	4.92	17.90	47.20	1457.68	1462.04	1444.99	955.26	1520.32	2/9	1004.01	16/1	1545.46	5/10/87	71.20	1/12/74
43	Conglomerates (10)	1547.50	-0.4	9.43	6.79	12.85	37.80	1553.01	1551.77	1529.78	1234.77	1626.42	14/3	1217.37	16/1	1819.46	11/8/89	975.19	10/11/87
44	Transport (13)	2383.46	-0.3	7.16	4.77	17.31	66.14	2389.82	2379.77	2372.22	1740.24	2389.82	26/9	1730.87	23/1	2554.69	12/7/89	90.89	29/6/62
45	Electricity (16)	1268.72	-0.6	13.85	5.13	9.42	27.53	1277.42	1278.30	1266.83	0.00	1278.30	25/9	994.96	7/1	1278.30	25/9/91	994.96	7/1/91
46	Telephone Networks (4)	1567.54	+0.1	9.56	3.87	13.68	28.34	1565.28	1571.29	1544.30	1039.44	1577.91	2/9	1085.95	16/1	1577.91	2/9/91	517.92	30/11/84
47	Water (10)	2405.09	-1.3	17.00	6.40	6.51	118.37	2436.45	2409.72	2439.17	1936.20	2539.85	6/9	2134.83	16/1	2539.85	6/9/91	1820.20	1/5/80
48	Miscellaneous (23)	1906.01	-0.5	5.23	5.19	26.45	68.99	1915.07	1890.81	1866.93	1461.36	2033.42	15/8	1506.17	16/1	2087.06	11/7/89	60.39	6/1/75
49	INDUSTRIAL GROUP (480)	1297.91	.....	8.41	4.47	14.80	32.07	1297.83	1299.24	1290.61	956.21	1326.09	6/9	991.97	16/1	1326.09	6/9/91	59.01	13/12/74
51	Oil & Gas (20)	2411.06	+0.2	10.83	5.76	12.20	92.84	2406.38	2385.65	2365.34	2314.52	2509.42	23/7	2101.45	21/1	2528.70	3/8/90	87.23	29/5/62
59	500 SHARE INDEX (500)	1393.95	.....	8.71	4.62	14.43	36.86	1393.54	1393.40	1383.84	1068.52	1424.90	2/9	1092.04	16/1	1424.90	2/9/91	63.49	13/12/74
61	FINANCIAL GROUP (92)	830.63	.....	–	5.63	–	29.98	830.47	833.86	828.62	630.28	859.94	15/3	667.36	16/1	896.67	13/10/87	55.88	13/12/74
62	Banks (9)	968.81	+0.2	4.40	5.50	42.64	36.83	966.87	969.44	956.17	658.02	990.15	6/9	695.08	15/1	990.15	6/9/91	62.44	12/12/74
65	Insurance (Life) (7)	1586.78	+0.4	–	5.33	–	60.57	1580.22	1584.87	1594.07	1248.26	1632.53	4/9	1220.74	16/1	1632.53	4/9/91	44.88	2/1/75
66	Insurance (Composite) (6)	628.81	-0.5	–	6.98	–	28.25	632.00	642.97	640.17	537.62	728.27	15/3	572.52	16/1	768.11	29/12/89	43.96	13/12/74
67	Insurance (Brokers) (9)	1155.15	-0.1	7.06	5.87	18.55	41.27	1155.87	1157.52	1165.98	772.09	1202.38	5/4	932.88	23/1	1399.56	17/7/87	65.86	16/12/74
68	Merchant Banks (7)	482.48	-0.1	–	4.37	–	12.54	482.77	477.95	478.65	324.23	482.77	26/9	327.70	16/1	547.59	12/10/87	31.21	7/1/75
69	Property (36)	966.27	-0.1	5.76	4.84	24.44	22.40	967.28	969.43	964.96	848.36	1087.65	15/3	881.23	3/7	1396.87	5/9/89	56.01	28/4/65
70	Other Financial (18)	268.46	-0.5	10.82	6.84	11.62	9.28	269.85	268.93	267.46	234.14	298.83	15/3	236.37	16/1	403.48	16/7/87	39.29	17/12/74
71	Investment Trusts (69)	1254.17	-0.1	–	3.45	–	25.50	1255.31	1255.50	1246.88	954.21	1261.80	6/9	947.19	16/1	1323.81	4/1/90	71.12	13/12/74
99	ALL-SHARE INDEX (661)	1257.47	.....	–	4.73	–	34.68	1257.16	1257.74	1249.20	962.18	1284.07	6/9	987.46	16/1	1284.07	6/9/91	61.92	13/12/74
		Index No.	Day's Change	Day's High (a)	Day's Low (b)		Sep 26	Sep 25	Sep 24	Sep 23	Sep 20	Year ago							
	FT-SE 100 SHARE INDEX†	2599.0	+3.4	2605.9	2588.8	2595.6	2597.8	2576.6	2579.5	2600.3	1990.2	2679.6	2/9	2064.8	16/1	2679.6	2/9/91	986.9	23/7/84

FIXED INTEREST

	PRICE INDICES	Fri Sep 27	Day's change %	Thu Sep 26	Accrued Interest	xd adj. 1991 to date
	British Government					
1	Up to 5 years (28)	122.38	+0.08	122.58	1.88	9.08
2	5-15 years (27)	135.51	+0.09	135.39	2.11	10.24
3	Over 15 years (9)	144.02	+0.07	143.93	1.15	10.60
4	Irredeemables (6)	161.13	-0.10	161.29	3.36	8.83
5	All stocks (70)	133.69	+0.08	133.69	1.97	9.99
	Index-Linked					
6	Up to 5 years (2)	166.15	+0.53	165.26	0.44	2.72
7	Over 5 years (9)	148.95	+0.38	148.40	0.73	3.42
8	All stocks (11)	150.20	+0.40	149.60	0.69	3.40
9	Debs & Loans (58)	115.42	-0.47	115.96	2.38	7.90

	AVERAGE GROSS REDEMPTION YIELDS		Fri Sep 27	Thu Sep 26	Year ago (approx.)	1991 High		1991 Low	
	British Government								
1	Low Coupons	5 years	8.59	8.60	11.12	10.14	16/1	8.49	20/9
2		15 years	9.36	9.36	11.12	10.24	2/1	9.24	18/9
3	(0¾-7¾%)	20 years	9.36	9.36	11.12	10.26	2/1	9.24	18/9
4	Medium Coupons	5 years	9.64	9.64	12.18	11.15	2/1	9.56	20/9
5		15 years	9.51	9.51	11.62	10.62	2/1	9.41	20/9
6	(8¾-10¾%)	20 years	9.46	9.46	11.45	10.50	2/1	9.35	18/9
7	High Coupons	5 years	9.85	9.84	12.27	11.25	2/1	9.75	20/9
8		15 years	9.59	9.60	11.90	10.80	2/1	9.50	18/9
9	(11¾-)	20 years	9.51	9.52	11.66	10.67	2/1	9.41	18/9
10	Irredeemables†		9.57	9.55	11.22	10.48	31/12	9.43	18/9
	Index-Linked								
11	Inflation rate 5%	Up to 5yrs.	3.76	3.87	4.47	4.48	15/7	3.59	18/1
12	Inflation rate 5%	Over 5 yrs.	4.21	4.23	4.35	4.40	1/8	4.09	18/2
13	Inflation rate 10%	Up to 5 yrs.	3.15	3.25	3.28	3.60	9/7	2.13	21/2
14	Inflation rate 10%	Over 5 yrs.	4.03	4.05	4.17	4.22	15/8	3.90	12/4
15	Debs & Loans	5 years	11.21	11.08	14.26	12.63	9/1	11.08	25/9
16		15 years	10.98	10.90	13.05	12.38	18/1	10.84	23/9
17		25 years	10.80	10.74	12.71	12.16	18/1	10.66	23/9

40opening index 2593.0; 9 am 2595.1; 10 am 2590.8; 11 am 2593.8; Noon 2594.3; 1 pm 2595.5; 2 pm 2598.1; 2.30 pm 2605.4; 3 pm 2605.9; 4.10 pm 2599.0; (a) 3.00pm (b) 9.39am

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
Business Services	31/12/90	999.65	Telephone Networks	30/11/84	517.92	Food Manufacturing	29/12/67	114.13
Electricity	31/12/90	999.65	Electronics	30/12/83	1646.65	Food Retailing	29/12/67	114.13
Media	31/12/90	1228.68	Other Industrial Materials	31/12/80	287.41	Insurance Brokers	29/12/67	96.67
Engineering - Aerospace	29/12/89	486.00	Health/Household Products	30/12/77	261.77	All Other	10/4/62	100.00
Engineering - General	29/12/89	486.00	Other Groups	31/12/74	63.75	British Government	31/12/75	100.00
Water	29/12/89	1968.45	Industrial Group	31/12/70	128.20	Do. Index-linked	30/4/82	100.00
Conglomerates	31/12/86	1114.07	Other Financial	31/12/70	128.06	Debs & Loans	31/12/77	100.00

† Flat yield. A list of constituents is available from the Publishers, The Financial Times, Number One, Southwark Bridge, London SE1 9HL. The FT-ACTUARIES SHARE INDICES SERVICE covers a range of electronic and paper-based products relating to these indices. These are available by subscription from FINSTAT, Ibex House, 42-47 Minories, London EC3N 1DY. Tel: 071-702 0991.

London Traded Options were not available for this edition.

ENERGY EFFICIENCY

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Data source: IFM 1989.

FT SURVEYS

UK COMPANY NEWS

Brent Walker bondholders given new terms

By Roland Rudd

BRENT WALKER, the leisure group, has put new terms to its bondholders in a last attempt to avoid liquidation, it was disclosed yesterday.

Mr Ken Scobie, chief executive, said the bondholders, which include Mr Michael Smurfit, chairman of Jefferson Smurfit, and Mr Tiny Rowland's Lonrho, have been offered the chance to swap their bonds for a debt instrument.

This is a special form of debt security. In normal circumstances it ranks ahead of the banks' preference shares and it guarantees the bondholders a voice in any new restructuring plans.

To avoid receivership, Brent Walker needs to secure the agreement of its bondholders to a refinancing plan.

Bondholders have been insisting that they swap their bonds for some form of debt instrument, so that they would have influence in the event that the company needed to be refinanced again in the future.

However, to appease the banks in the event of an insolvency, the debt instrument reverts to having no preference over the banks' preference shares.

This is significant because in mid-June, Brent Walker's steering committee of leading banks agreed to a proposal that the bondholders should be offered a debt instrument, only to have it blocked by a group of banks which was led by Barclays.

These banks had opposed any offer of debt, because they believed it would set an unfortunate precedent. The banks are converting part of their loans to Brent Walker into equity.

There is a convention in the UK that if banks are forced to convert part of their debt into equity, then other creditors should not be offered debt that ranks ahead of the banks.

The latest proposals, described by one banker as a "hybrid option" are understood to be acceptable to all the 47 banks with loans outstanding to the group.

But Mr Smurfit, who is key to getting agreement to any new refinancing, will still find it difficult to agree to the last clause in the proposals which puts the bondholders at the bottom of the queue in the event of a liquidation.

Mr Scobie warned that the company was not prepared to allow the current negotiations with the bondholders to continue much beyond next week.

Lonrho is still pushing its own proposals to take over Brent Walker, although they have been rejected by the banks. Mr Rowland has written to the chairmen or chief executives of all 47 banks outlining his offer for the group.

Brent Walker's board made no attempt at yesterday's annual general meeting to remove from the board Mrs Jean Walker or her husband, George, the former chairman and founder of the group. A proposal to have them removed as directors at an extraordinary general meeting was defeated.

Astra counts the cost of expansion as loss cut to £11m

By Jane Fuller

ASTRA HOLDINGS, the British munitions company which is being investigated by the Department of Trade and Industry, yesterday announced that it lost more than £11m in the year to March 31.

This brings the total losses to £77m as a pair of company doctors have tackled the problems created by hasty and costly acquisitions, culminating in the purchase of PRB, a Belgian munitions company, which has since collapsed.

Mr Roy Barber, chairman, and Mr Tony McCann, chief executive, are working on the restructuring of the group's £44m debt. Annual costs have been cut by about £10m and Mr Barber said the group was more than breaking even at the operating level.

Mr Barber said yesterday that Astra was on its knees before the PRB acquisition. The UK company has never included PRB's results in its profit and loss account and last year made an £18m write-off to cover the lost investment.

DTI attention has focused on events leading up to the acquisition. In July 1989, Astra made a £36m rights issue, rather more than it needed to fund the PRB purchase. It has since emerged that it had breached covenants on a £50m syndicated loan early in the year, if not before.

Mr McCann said yesterday that most of Astra's debt dated back to the purchase of BMARC, a UK company, in 1988. It cost £60m, twice the amount raised in an associated rights issue.

Altogether between 1987 and 1989, Astra raised about £90m from shareholders in addition to the £50m loan, raised at about the time of the BMARC purchase.

Asked where the money had gone, Mr Barber pointed to the £77m of losses in the past two years' accounts, which have amounted to a deck-clearing exercise.

In 1990-91, Astra cut its operating loss to £2.2m (£6.6m) on sales of £86.8m (£90.2m). Interest payments of £7m contributed to a pre-tax loss of £11.2m (£23.8m).

Losses per share were 11.4p (31.1p) and shareholders' funds fell to £10.8m (£22.2m).

Prices for electricity determined for the purposes of the electricity pooling and settlement arrangements in England and Wales

	Revised Price for Trading on 20.09.91	Final Prices for Trading on 21.09.91	
1/2 hour period ending	Pool purchase price £/MWh	Pool purchase price £/MWh	Pool selling price £/MWh
0030	15.90	15.88	15.69
0100	15.06	15.85	15.50
0130	15.86	15.50	15.50
0200	15.86	15.50	15.50
0230	15.86	15.86	15.85
0300	15.90	15.50	15.50
0330	15.86	15.50	15.50
0400	15.85	15.50	15.50
0430	15.85	15.50	15.06
0500	15.85	15.50	15.50
0530	15.35	15.55	15.85
0600	15.35	15.85	15.85
0630	15.86	15.58	15.50
0700	15.90	15.69	15.69
0730	16.25	15.67	15.67
0800	18.40	18.06	16.06
0830	18.70	17.16	19.27
0900	17.14	17.83	20.06
0930	16.07	21.67	23.91
1000	18.22	21.67	23.92
1030	18.22	21.67	23.92
1100	18.22	21.67	23.91
1130	20.44	21.67	23.92
1200	20.44	21.67	23.92
1230	17.54	18.06	21.23
1300	17.49	17.83	20.07
1330	17.40	17.83	20.07
1400	17.49	17.84	19.77
1430	17.14	17.64	18.77
1500	18.70	17.38	19.51
1530	16.04	17.38	19.51
1600	16.04	17.38	19.51
1630	16.09	17.38	19.51
1700	18.63	17.38	19.51
1730	17.14	17.38	19.50
1800	17.49	17.38	19.50
1830	17.50	16.06	16.85
1900	19.97	17.38	19.51
1930	19.97	17.38	19.51
2000	19.97	17.38	19.51
2030	18.34	11.38	19.50
2100	17.14	19.83	22.03
2130	18.63	19.83	22.03
2200	16.63	19.83	22.04
2230	16.63	19.72	21.83
2300	16.63	16.06	18.06
2330	16.14	15.69	15.69
2400	15.94	15.69	15.69

Prices are determined for every half-hour in each twenty-four hour period. Prices are in pounds per megawatt-hour, rounded to two decimal places. To convert prices to pence per kilowatt-hour the decimal point should be moved one place to the left, eg £16.65/MWh becomes 1.665p/KWh. Provisions for the determination of pool prices is made in the Pooling and Settlement Agreements which govern the operation of the electricity pool in England and Wales. The Pool Purchase Price is the basis of the majority of payments made to generators in respect of electricity traded through the pool. The provisional Pool Purchase Price is subject to revision or correction until final pool prices are determined approximately twenty-four days after the day of trading. Pool Selling Price is the price paid by purchasers of electricity under the pool trading arrangements. It is dependent upon the determination of Pool Purchase Prices. Final pool prices are also capable of revision.

NGC Settlements Limited

NEWS DIGEST

Sharp fall at More O'Ferrall

THE ADVERTISING downturn dealt a blow to More O'Ferrall, the outdoor poster contractor, which saw pre-tax profits more than halved to £812,000 from a previous £1.98m in the first half.

Fierce competition with other media in a depressed market meant that margins were squeezed, making for lower profits despite a marginally higher group turnover of £27.89m (£27.65m) in the six months to June 30.

The group's interest charge climbed up to £1.65m (£1.41m). The dividend is held at 3.2p on earnings down to 2.1p (5.2p).

Microvitec loss

Microvitec, the USM-quoted computer peripherals manufacturer, lost £3.21m before tax in the first six months of 1991, a performance marginally worse than the comparative £2.14m. The latest result was struck after exceptional charges of £267,000.

Sales rose 11 per cent to £12.5m (£11.2m) but included a contribution of £2.49m from Logitek, the computing services company acquired in May. The interim dividend is passed (0.1p).

BLP omits dividend

BLP Group, the USM-quoted maker of wood laminates and mouldings, has fallen from profits of £468,000 to losses of £261,000 pre-tax in the six months to June 30.

The interim dividend is being passed (0.25p).

Group turnover shrank to £28m (£30.3m) and losses per share emerged at 5.3p (earnings 3p). There was an extraordinary loss of £485,000 (gain £253,000).

Bullers losses cut

Bullers, maker of consumer products in fine arts, made inroads into its losses in the first half of 1991, reducing them to £1.22m. Last time the deficit was £2.53m which grew to £4.77m by the year-end.

The halftime loss was struck after exceptional charges of £220,000 (£1.14m). Losses per share were 3.18p (7.43p).

Ben Bailey tumbles

Ben Bailey Construction, the Yorkshire housebuilder, saw its pre-tax profit crash from £1.81m to £317,000 in the year ended June 30 1991.

Earnings per share fell to 2.16p (11.47p) and the final dividend is only 0.5p for a total of 0.8p, against 1.9p.

Trace Computers

Trace Computers, the computer services company, reported pre-tax losses of £471,000 (£1.81m profits) in the year to May 31.

The company blamed its newer acquisitions, with the financial software division in particular incurring a substantial loss.

Net interest costs rose to £515,000 (£176,000). Turnover was £19.7m (£13.9m) including the first full contribution from a number of purchases.

Losses per share were 2.04p (earnings 10.49p) and an unchanged final dividend of 0.9p is proposed for a maintained total 1.45p with a scrip option.

Tuskar Resources

Tuskar Resources, the Dublin-based oil exploration group, has reduced its losses from I£10m to I£8.26m, or £7.57m sterling, in the year to March 31. No dividend is being paid.

The USM-quoted company said the principal element of the losses was a write-off of exploration expenditure, mainly in Turkey, totalling I£7.77m.

Losses per share were cut to 4.06p (6.11p).

Aran Energy in red

Aran Energy, the Dublin-based oil and gas exploration and production group, slipped into the red in the first half of 1991 recording a pre-tax loss of I£38,000 (£35,000) for the period, against a £171,000 profit last time.

Turnover rose from I£13.8m to I£14.5m. Losses per share came out at 0.08p (0.12p earnings).

Wiggins progress

A substantial reduction in losses was achieved by Wiggins Group, the property developer and housebuilder, in the year ended March 31 1991, helped by lower write-offs and interest charges.

The loss before tax came to £2.54m, against £13.54m, after provisions to reduce developments to net realisable value £914,000 (£9.17m) and interest £1.75m (£4.88m). Operating profit fell to £122,000 (£510,000). Losses per share were 15.7p (76p).

Housebuilding profit fell from £2.32m to £280,000 on turnover of £10.7m (£21.1m). Property development provided a profit of £505,000, against a loss of £874,000.

Pathfinders falls

Pathfinders Group, the USM-quoted media and entertainment recruitment agency, fell to break-even in the year to March 31, and after exceptional charges of £221,000 moved into a loss of £218,000 pre-tax.

The loss compared with a profit of £121,000 in 1989-90; it came on turnover down to £769,000 (£1.63m). Losses per share were 0.76p (earnings 0.33p).

The exceptional charges mainly represented expenses and compensation payments to former directors.

Burns-Anderson

The Burns-Anderson Group, the recruitment and financial services group, incurred losses of £27,000 pre-tax in the six months to June 30 1991. Previously, in the nine months to June 30 1990, the group made restated pre-tax profits of £1.59m. The interim dividend is again passed.

In the period under review, turnover was £35.4m, operating profits £936,000 and earnings per share 0.09p. In the corresponding nine-month period they had been £55.5m, £2.79m and 2.62p respectively.

How Group lower

How Group, the building services contractor, is cutting its interim dividend from 1.35p to 1p as pre-tax profits for the first half of 1991 fell from £1.49m to £507,000. Earnings per share came to 0.51p (2.21p). Turnover rose to £123m (£113m).

Armour Trust

Pre-tax profits of Armour Trust fell from £2.22m to £1.51m in the year ended April 30, as a 30 per cent reduction in trading profits of the automotive division outweighed record figures from the confectionery side.

Mr Andrew Balcombe, chairman, pointed out that the previous year included £200,000 from the sale of property and profits of a subsidiary sold.

Turnover slipped to £20.4m (£21.2m). Earnings were 4.1p (5.6p) per share and the proposed final dividend is 1.1175p for a total of 1.4175p (1.35p).

Triton Europe

Triton Europe, the independent UK oil and gas exploration company, reported a boost in after-tax profits from £1.49m to £31.39m in the year ended May 1991, but these included exceptional credits of £34.85m. The profits are from continuing operations.

The period was highlighted by the sale of the group's North Sea assets for £32.9m resulting in a pre-tax figure of £24.2m.

Turnover was up slightly at £29.7m from £29.3m.

Wembley declines

Wembley, the leisure group which owns the football stadium, reported a collapse in taxable profits from £4.7m to £709,000 in the six months to June. This fall was further marked after property disposals of £9.8m and exceptional items of £994,000, which swelled last year's profits to £15.5m.

Interest charges jumped from £4.86m to £7.95m. Borrowings of £145m, representing 90 per cent of shareholders' funds, have been used to finance the group's capital expenditure programme.

The interim dividend is maintained at 0.9p. Earnings per share fell from 4.5p to 0.2p.

Adwest declines by 43%

PROPERTY development provided a major slice of the profits at Adwest Group, the manufacturer of automotive components and power systems, in a year that saw the taxable figure fall 43 per cent, writes Michiyo Nakamoto.

In the face of a severe downturn in its core defence and automobile markets, pre-tax profits in the year to June 30 tumbled from £12.5m to £7.1m.

Mr Fred Grant, chairman, said that "quite unprecedented things took place" during a very difficult period. In the first two months, which were two of the strongest in normal times, the group made no profit at all.

The automotive division, which makes power steering wheels primarily for Land Rover and Jaguar, was plagued by lower production by its main customers.

The French market, where it served Peugeot and Renault, also took a severe plunge when the Gulf War started.

Adwest had been shrinking its defence business after the division was merged with the electrical side into a new Power Systems division.

New business in defence was difficult to come by while commercial applications were not easy to find either, Mr Menzies said. Last year it made no profits from its defence activities, compared to profits of about £3.5m in the division's heyday.

The property division contributed £2.5m (£2.9m) to trading profits from the sale of land and investment properties.

Earnings per share were cut to 8.2p (14.1p) but the final dividend is held at 5.75p making an unchanged 7p.

"We've squeezed the sponge pretty hard," said Mr Grant.

European Assets Trust
N.V.

The net asset value at 31 August 1991 DFL 8.40

BIRMINGHAM

The FT proposes to publish this survey on 18th October, 1991 from its printing centres in Tokyo, New York, Frankfurt, Paris and London. It will be read by senior businessmen and government officials in 160 countries world-wide. If you want to reach this important audience, call Anthony Hayes 021 454 0922 or fax 021 455 0869. Or write to him at Financial Times, George House, George Road, Edgbaston, Birmingham, B15 1PG.

FT SURVEYS

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DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corres-ponding dividend	Total for year	Total last year
Adwest ....fin	5.75	Nov 22	5.75	7	7
Armour Trust ....fin	1.1175	Jan 3	1.075	1.4175	1.35
Bailey (Ben) ....fin	0.5	Jan 9	1.4	0.8	1.9
BLP Group § ....int	nil	-	0.25	-	0.25
Central Ind TV ....int	7.5	Nov 22	7.5	-	28.5
Clayform Props ....int	nil	-	2	-	2
Evered Bardon ....int	1.935†	Nov 22	1.835	-	5.585
F&C Pacific Inv ....int	0.75‡	Nov 1	0.55	-	1.9
How Group ....int	1†	Nov 29	1.35	-	3.8
Microvitec ....int	nil	-	0.1	-	0.3
More O'Ferrall ....int	3.2	Nov 15	3.2	-	13.2
Trace Computers ....fin	0.9★	Nov 29	0.9	1.45	1.45
Triton Europe ....fin	nil	-	nil	1☆	nil
Wembley ....int	0.9	Nov 29	0.9	-	2.4

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. §USM stock. ☆Included 6p extraordinary dividend. ‡To reduce disparity. ★Scrip option.

LONDON RECENT ISSUES

EQUITIES

Issue Price	Amt'nt Paid up	Latest Renunc Date	1991 High	1991 Low	Stock	Closing Price	+or -	Net Div	Times Cov'd	Gross Yield	P/E Ratio
180	F.P.	-	198	188	Adam & Harvey	195		0/10.0	5.9	6.8	3.3
1	F.P.	-	110	105	Capital Ventures 1p	110		-	-	-	-
4	F.P.	-	9¼	4¼	Colney 1p	5		-	-	-	-
-	F.P.	-	23	19	Eng. & Scott. Wrnts.	19	+1	-	-	-	-
-	F.P.	-	320	213	Eurotunnel '91 Wrnts.	295		-	-	-	-
100	F.P.	-	111	105	Gartmore Scotland Inc.	111		M11.6	-	13.9	-
100	F.P.	-	99	85	Do. Capital	98		-	-	-	-
-	F.P.	-	£665	£625	Do. Units	£653		-	-	-	-
146	F.P.	-	166	148	Irish Life 6/10p	165	+1	M10.02%	-	5.5	-
100	F.P.	-	109	101	Kleinwort High Inc. 5p	109	+1	M7.5	-	9.2	-
$$290	F.P.	-	334	297	Lowndes Lambert 5p	334	+8	L11.5	1.9	4.6	15.6
50	F.P.	-	54	47	♦Simpsons of Cornhill 5p	48		-	-	-	14.9
1	F.P.	-	¾	½	♦Stanelco 1p	½		-	-	-	-

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc Date	1991 High	1991 Low	Stock	Closing Price £	+ or -
100	F.P.	-	100	98½	Cambourne Inds. 10½pc Rd. Dep 2001	99½	+1
100	F.P.	-	90	77½	Clayhilde 9½pc Cnv. Ln. 2000-01	79½	
100p	F.P.	-	111½p	104½p	Gartmore Scotland Zero Dm Prf	111p	
100p	F.P.	-	109½p	102½p	Kleinwort High Income Zero Dm Prf	109p	-½
-	F.P.	-	96	95¾	Lead Securities 10pc Ln Mtg Deb 2027	96	+½
100p	F.P.	-	104p	102½p	Nat. West Bank 9pc Prf Series A	102½p	-¼
-	F.P.	-	107½	107½	Third Mile Soc Cr Uns Ln 2001	107½	

RIGHTS OFFERS

Issue Price p	Amount Paid up	Latest Renunc Date	1991 High	1991 Low	Stock	Closing Price p	+ or -
285	Nil	-	76pm	53pm	British Petroleum	74pm	+1
210	Nil	-	10pm	7pm	Hillsdown Hldgs. 10p	8pm	
220	Nil	-	49pm	29pm	Ladbroke 10p	34pm	
435	Nil	-	103pm	54pm	F & C Bald. £1	69pm	
85	Nil	-	13pm	12pm	Record Hldgs. 5p	12pm	
200	Nil	-	10pm	10pm	Third Mile Inv. Units	10pm	
45	Nil	-	22pm	20pm	♦Trans World Comms. 10p	22pm	

a Annualised dividend. b Figures based on prospectus estimates d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. g Assumed dividend and yield g Earnings based on preliminary figures = Forecast or estimated annualised dividend rate, cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1990-91. H Dividend and yield based on prospectus or other official estimates for 1991. L Estimated annualised dividend cover and p/e ratio based on latest annual earnings. M Dividend and yield based on prospectus or other official estimates for 1991-92. N Dividend and yield based on prospectus or other official estimates for 1992. Q Gross. R Forecast annualised dividend cover and p/e ratio based on prospectus or other official estimates. W Pro Forma figures. ♦ Offered to holders of ordinary shares as a "rights". ‡ Introduction § Placing price †† Reintroduction. ♦ Unlisted securities market. ♦ Issued in connection with reorganisation, merger or takeover. pm Price at a premium

TRADITIONAL OPTIONS

First Dealings	Sep. 23
Last Dealings	Oct. 4
Last Declarations	Dec. 23
For settlement	Jan. 6

For rate indications see end of London Share Service

Calls: Aviva Pet., Barrett Dev., Brent Walker, Clyde Pet., Premier Cons., TV-am. Put: Barrett Dev. Puts & Calls: Aviva Pet., Lawrence (W.).

CHINA & EASTERN INVESTMENT COMPANY LIMITED

Preliminary Announcement of Final Results for the Year Ended 31st July, 1991.

	1991 US$	1990 US$
TOTAL NET ASSETS	32,587,857	33,825,845
GROSS REVENUE		
Income from listed investments	976,648	939,293
Net (losses) gains from trading in dealing investments	(69,910)	313,614
Interest on deposits	277,588	187,581
Interest on loans to unlisted investments	32,291	35,592
Net exchange gain	2,545	16,141
Sub-underwriting fee	1,396	-
	1,220,558	1,492,221
ADMINISTRATIVE EXPENSES	(973,568)	(695,042)
PROFIT BEFORE TAXATION	246,990	797,179
TAXATION	(2,381)	3,120
PROFIT FOR THE YEAR	244,609	800,299
PROPOSED DIVIDEND	-	(347,953)
PROFIT FOR THE YEAR, RETAINED	244,609	452,346
EARNINGS PER SHARE		
BASIC	US$0.0140	US$0.0462
FULLY DILUTED	-	-
DIVIDEND PER SHARE	-	US$0.02
NET ASSET VALUE PER SHARE		
BASIC	US$1.84	US$1.94
FULLY DILUTED	US$1.73	US$1.81
OTHER TRANSFERS TO/(FROM) RESERVES		
Net profit on disposal of investments	US$624,460	US$99,791
(Decrease)/Increase in valuation of investments	US$(2,371,924)	US$8,206,376

EARNINGS PER SHARE
The calculation of the earnings per share is based on profit for the year of US$244,609 (1990: US$800,299) and on the weighted average number of 17,486,261 shares (1990: 17,318,597 shares) in issue. Fully diluted earnings per share is not shown as there is no dilution.

TAXATION
In the current period the Group did not generate any income assessable to Hong Kong profits tax. The tax charge represents overseas withholding tax on interest and dividend income.

EXTRACT FROM THE CHAIRMAN'S STATEMENT
Confidence in Hong Kong was considerably boosted by the US Government's renewal of China's Most Favoured Nation status followed by agreement between the British and Chinese Governments for the construction of the new Hong Kong airport.
The economy of Guangdong Province continues to strengthen and expand and your Company is well positioned to take advantage of developments as they occur.
Despite these favourable long term trends profits declined this year due to reduced revenues and an increase in management fees associated with the appointment agreed upon at the Extraordinary General Meeting held on 3rd July 1990 of a new manager for the unquoted investments.
Net asset value per share declined by approximately 4.4%, notwithstanding the buoyant performance of the Hong Kong stock market overall during the period. The principal reasons for this were the costs of further rationalisation of the direct investment portfolio and the relatively *narrow base of the listed portfolio which is concentrated in China-related companies, which, as a sector lagged behind the performance of the* Hong Kong market overall.

DIVIDEND
Your Board recommends the payment of a special interim dividend of US$0.01 per share to be paid to the shareholders on the Register of Members as at 11th November, 1991 in respect of the current financial year, rather than the payment of a final dividend in respect of the 1991 financial year (1990: US$0.02 per share). Warrant holders who have exercised their warrants will therefore be entitled to receive this dividend.

DIRECTORS' INTERESTS IN SHARES AND/OR WARRANTS
At 31st July, 1991 Mr. J.D. Bolsover had a beneficial interest in 4,700 ordinary shares and 940 warrants of the Company. No other director holding office at 31st July, 1991 or their associates had any beneficial interest in the Company's ordinary shares and warrants. No director holding office at 31st July, 1991 or their associates had any beneficial interest in the share capital of the Company's subsidiaries.

By order of the Board
P.H. McCullough
Company Secretary
27th September, 1991

The Annual Report and Accounts will be posted to shareholders in the middle of October, 1991 and will be made available to the public at the Company's Registered office: 8th Floor, Prince's Building, Hong Kong, its Registrar: Central Registration Hong Kong Limited, 19th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong and its London Transfer Agent: Barclays Registrars Limited, Bourne House, 34 Beckenham Road, Beckenham, Kent BR3 4TU. The Annual General Meeting will be held at 11:00 a.m. on 11th November, 1991 at 155 Bishopsgate, London EC2M 3XY.

The Register will close at 4:00 p.m. on 1st November, 1991 and will re-open at 9:00 a.m. on 12th November, 1991. All transfers must be lodged with the Registrar no later than 4:00 p.m. on Friday, 1st November, 1991.

Olivetti posts L74bn first-half loss

By Haig Simonian in Milan

OLIVETTI, the Italian computers and office equipment group, yesterday unveiled a L73.7bn ($58.5m) pre-tax loss for the first half of this year, compared with a L60.9bn profit in the same period in 1990.

The group blamed its performance on the severe price competition facing computer makers and the worldwide slowdown in demand.

Its sales declined by 5.4 per cent to L3,943bn from L4,167bn in the first six months of last year.

"Computer companies reacted to this scenario by announcing major restructurings and engaging in price wars that in some cases involved discounts of up to 40 per cent," the company said.

It stressed its financial health, noting that net indebtedness had risen by only L49bn to L793.5bn in the first half of this year.

Although Olivetti gave no forecast for 1991 as a whole, it implied it saw little respite. The prospect of continuing weak market conditions meant it would have to take further unspecified measures to "improve competitiveness in terms of costs and performance in terms of revenues and profitability".

De Benedetti: stressed the group's financial health

The company sought to put its difficulties in the context of the international computer industry, where there have been widespread falls in profitability and the Italian economy's own structural problems.

"At the end of the 1970s, Olivetti was the first Italian company to return to reporting significant profits. Today, it is among the first to announce negative results. This is a sign of the loss of competitiveness of Italy's industrial system," said Mr Carlo De Benedetti, Olivetti's chairman.

Earlier this year, Mr De Benedetti warned that Olivetti's response to the strong lira and annual cost rises of around 10 per cent might be to transfer more production abroad, particularly to the Far East.

The company gave no indication yesterday of whether a decision had yet been taken.

However, it said it had contained expenses by more than 2 per cent in the first half of this year, despite Italy's relatively high inflation rate.

Yet again it threw down the gauntlet to Italy's politicians, complaining that, in the absence of the special legislation needed to carry out the 3,000 early retirements it is planning this year, cost containment was not enough to compensate for declining revenues.

Koor and creditors reach final agreement

By Hugh Carnegy in Tel Aviv

KOOR Industries, the big Israeli industrial group crippled for the past three years by debts of $1.2bn, finally completed a restructuring agreement with its creditors yesterday, involving a $240m bank write-off and a big shift to control from its trade union owners to the banks.

The deal reduced overall debt to $750m and restored equity capital from a negative $70m to a positive $150m. It capped a period during which Israel's biggest industrial group came close to liquidation. A turnround programme which cut the labour force from 32,000 to less than 20,000 eventually restored profitability and persuaded the creditors to keep the company afloat.

"The heavy shadow of uncertainty about the company's prospects has been removed," said a relieved Mr Benjamin Gaon, chief executive since early 1989.

"We will now move forward to run our business to an economically viable manner to produce good returns for our owners."

The most striking effect of yesterday's deal is the acceptance by the Histadrut, the powerful trade union federation, of a drastic reduction in its shareholding, exercised through its industrial ownership arm Hevrat Ha'ovdim. Koor, which in its heyday accounted for 10 per cent of Israeli industrial capacity, was the pillar of the Histadrut's unusual role as both employer and trade union.

Hevrat will invest $25m in Koor, but its shareholding will sink to less than 26 per cent from near total control under options for a 41 per cent holding granted to the Israeli bank creditors.

The local banks also agreed to write off about $200m of their $600m Koor dues. They will loan a further $130m to Koor, $100m guaranteed by the Israeli government which will also put in a $50m equity injection.

The foreign bank creditors, led by Manufacturers Hanover, agreed to write off $40m of the $260m owed to them by Koor. They receive $85m in cash and a 7.5 per cent shareholding. The balance of about $40m will be repaid over the next 4½ years at a charge of 1 per cent over the London Interbank offered rate.

Foreign and Israeli bondholders, who together accounted for more than $200m of Koor debt, agreed to a mixed cash, shares and new notes arrangement which will leave both groups with shareholdings of around 6 per cent.

Solvay issues warning on profits as earnings slide

By Andrew Hill in Brussels

CONSOLIDATED profits at Solvay slumped by 15 per cent in the first half of the year and the Belgian chemicals group yesterday warned its 1991 profits would not match last year's figure of BFr15.9bn ($460m).

In the first six months of the year consolidated earnings dropped from BFr8.08bn to BFr6.8bn, a figure which includes an extraordinary gain of BFr750m in unused tax provisions. Sales rose by just 3.5 per cent in the same period to BFr137bn, compared with BFr132bn.

"The current trend of the economy does not give a hint – as might have been hoped – of an improvement in profit margins for the next few months," the group said in a statement.

Solvay's plastics activities – its second largest sector by turnover after the core alkalis business – were badly hit at the beginning of the year by the Gulf war, which pushed up the price of the basic raw materials. More seriously, polyvinyl chloride (PVC) selling prices were eroded by strong competition from manufacturers in eastern and central Europe and in the US.

The group explained yesterday that although there was no overcapacity to PVC in Europe, former state-owned central and eastern European producers, suffering from the rapid downturn in their domestic economies, had started to sell into new markets at unrealistically low prices.

Alkalis were also affected by the economic slowdown, but the group said the overall result from alkalis and peroxides had proved more resistant to the recession.

A Solvay spokesman said yesterday: "I hope we've reached the bottom for consolidated earnings, but basically to 1992 [the result] will mainly depend on the general economic situation."

Solvay said sales and profits in the smaller health sector, which accounted for about 13 per cent of group turnover last year, had "advanced markedly" during the first half. Veterinary products and the human health operations were particularly strong performers.

On Wednesday, a symbolic meeting of the Solvay board was held in the group's Bernburg soda-ash plant in eastern Germany, which has just been returned to the company after 52 years under Nazi and then communist control.

Baron Daniel Janssen, the group's chairman, said the factory – once the largest Solvay plant in the world – would break even for the four months to the end of 1991. It is to be converted from light to dense soda-ash production and might start contributing profits to the group next year.

Montedison tumbles as demand declines

By Haig Simonian

MONTEDISON, the Italian chemicals company controlled by the Ferruzzi group, saw net profits drop to L201bn ($166.9m) in the first half of this year, from L838bn in the same period in 1990.

The company blamed declining demand for plastics, which was only partly compensated for by more favourable market conditions for other segments, such as agro-industrial goods and energy. Sales rose to L7,562bn from L7,384bn.

It added that rationalisation was under way in several areas, notably the Montecatini chemicals subsidiary.

Mr Giuseppe Garofano, managing director of Ferruzzi Finanziaria, which controls Montedison, put a brave face on the results.

Mr Garofano put the earnings in the context of the Montedison-Ferruzzi group as a whole, where falling profits in some sectors' activities, such as chemicals, have been matched by increases in other areas.

Group debt at Montedison fell by L2,027bn to L6,615bn in the first half of the year, compared with the same period in the previous year.

However, the figure was L800bn higher than at end-December 1990.

● ERIDANIA, the Italian sugar producer controlled by the Ferruzzi-Montedison group, lifted pre-tax profits by 12.3 per cent to L210bn in the first half of this year, from L187bn in the same period last year.

It expects year-end profits to reflect the same rate of growth as in the first six months. In 1990, Eridania made net profits of L230bn.

First-half sales rose by 1.5 per cent to L4,748bn from L4,688bn in 1990. The company said all sectors had performed well, with appreciable improvements in edible and industrial oils in particular.

Eridania also announced the acquisition by its Cerestar subsidiary of Biacor, an Italian group specialising in citric acid and derivates, with annual sales of almost L50bn. A price was not disclosed.

Biacor is the only producer of citric acids in Italy and has a European market share of around 10 per cent, Eridania claimed.

PR difficulty at Hill & Knowlton

By Alan Friedman in New York

HILL & KNOWLTON, the second biggest public relations firm in the US, and owned by WPP of the UK, yesterday found itself in the unenviable position of having its own, rather large, public relations problem.

To make matters worse, that problem is Mr Robert Dilenschneider, the boisterous Hill & Knowlton chief executive, who yesterday contradicted Hill & Knowlton's own press announcement that he had resigned.

"Legally, I can only say that I did not resign. I have left," said 47-year-old Mr Dilenschneider, who since taking over the top job at Hill & Knowlton in 1986 is said to have incurred the wrath of his staff and several of the firm's big clients.

Although Mr Dilenschneider helped Hill & Knowlton's revenues to more than double to $198m last year, from $77m in 1985, his abrasive management style, approval of controversial clients and publication of a self-promoting book which offended Hill & Knowlton clients, all conspired to create what one Hill & Knowlton insider yesterday described as "a very cruel atmosphere inside the firm, a virtual revolt by many of our executives."

No single factor seems to have caused Mr Dilenschneider's abrupt departure.

However, the firm's client list included several curious choices that contributed to internal and external polemics.

The most contentious client was the Church of Scientology, whose financial dealings and alleged brainwashing techniques have come under public scrutiny to the US.

Hill & Knowlton acknowledged yesterday that Smith Kline Beecham, the UK drugs company, withdrew some of its Hill & Knowlton business because of the Scientology account.

The Scientology account also raised doubts at Eli Lilly, the US drug company that makes Prozac, the anti-depressant drug. The Scientologists claimed Prozac causes suicides. Lilly is a client of J Walter Thompson, another WPP subsidiary.

Robert Dilenschneider: responsible for clients

Another controversial account at Hill & Knowlton was the Bank of Credit & Commerce International (BCCI).

Hill & Knowlton said yesterday that it had represented BCCI as well as Mr Clark Clifford, the former chairman of First American Bankshares of Washington, who is under investigation in the US over his denial that he knew of BCCI's secret control of the US bank.

Inside Hill & Knowlton, the firm's handling of an anti-abortion campaign for the Catholic Council of Bishops raised so many hackles that executives won the right to refuse to work on the account.

Mr Dilenschneider yesterday claimed that none of these were his personal accounts. However, he said: "I was CEO so I take responsibility for the clients."

The former Hill & Knowlton chief is believed to be contemplating legal action against his old firm. Speculation is rife that he is said to be planning to set up his own agency.

Mr Martin Sorrell, the WPP chief executive who is said to have clashed with Mr Dilenschneider, yesterday declined to comment, except to confirm that BCCI was among Hill & Knowlton's past accounts.

● Mr Dilenschneider is the latest in a long line of senior executives to have left WPP, the London-based company which became the world's largest marketing services group in a string of acquisitions during the 1980s, but is now struggling under heavy debt, writes Alice Rawsthorn.

His departure follows those of several senior executives from Ogilvy & Mather, one of the group's advertising agencies, including Mr Ken Roman, former chief executive officer, who has filed a legal claim for compensation against WPP.

Mr Simeon Galpert, former group treasurer, is also pursuing a legal claim.

Dornier chief to resign

MR HELMUT Ulke, managing director of Deutsche Aerospace's Dornier, the aircraft manufacturer, yesterday announced he intended to leave the post by November 1, AP-DJ reports.

Deutsche Aerospace said the decision was a "mutual agreement" between Mr Ulke and other officials of the company, where Mr Ulke sits on the board. The resignation was widely expected.

No successor has been named but would almost certainly come from the ranks of Deutsche Aerospace.

Deutsche Aerospace is mostly owned by Daimler-Benz, the German industrial and transportation group.

The Deutsche Aerospace spokesman said Mr Ulke would like to remain in the company's supervisory board.

Endesa in agreed bid for 25% of Fecsa

By Peter Bruce in Madrid

THE appetite of Endesa, the Spanish state-controlled electricity generator, for swallowing private sector competitors, developed further yesterday when it announced it was making an agreed bid for 25.01 per cent of Fecsa, the biggest Catalan utility.

The deal, which will cost Endesa $400m, will raise its stake in Fecsa to 40 per cent and give it control of the company's management.

The offer will be made at Pta758 a share. Endesa has already spent $900m this year buying more than 80 per cent of the main Cantabrian utility, Viesgo and in taking its stake in the Andalucian generator and distributor, Sevillana, to 33.5 per cent.

Endesa, majority-owned by the state and whose shares trade in Madrid and New York, has been the government's chief weapon in its efforts to reform the electricity sector in Spain.

Made up largely of private utilities, the sector is being corralled into two large groups which the authorities hope will be better able to finance investments in new generating capacity.

All the utilities are highly geared and Fecsa had to be rescued from bankruptcy in the mid-eighties.

The two biggest private sector utilities, Hidrola and Iberduero, merged last spring to form Iberdrola. The government is determined that Endesa should lead the second large group but has had a problem because Endesa is a wholesale supplier to the private utilities and has no distribution of its own.

The acquisitions of Viesgo, Sevillana and now Fecsa, are designed to increase distribution income.

Perhaps more importantly, Endesa also needs to have utilities as captive clients, should the European Community ever decide to liberalise the European electricity sector. Presently, Endesa enjoys a privileged status as the government forces the private utilities to buy its electricity.

It is likely that after the takeover is completed, Fecsa will merge with Endesa's Catalan affiliate, Enher, which has about 32 per cent of the regional market, further increasing the state group's control of power supply in Spain's most industrialised region.

Fecsa has about 54 per cent of the big Catalan market.

WORLD COMMODITIES PRICES

WEEKLY PRICE CHANGES	Latest prices	Change on week	Year ago	High 1991	Low 1991
Gold per troy oz.	$349.15	+0.85	$404.75	$362.25	$353.55
Silver Per troy oz	236.40p	+0.20	255.80p	280.55	183.35p
Aluminium 99.7% (cash)	$1162	-26.5	$1695.0	$1570	$1188.5
Copper Grade A (cash)	£1346.5	-16	£1527.5	£1472	£1241.0
Lead(cash)	£311.0	+1.75	£413	£362.5	£292.5
Nickel (cash)	$7495	-2.5	$10175	$8237.5	$7487.5
Zinc SHG (cash)	$1017.5	-10.5	$1362.5	$1430	$1014
Tin (cash)	$5542.5	+7.5	$6450.0	$5815	$5470
Cocoa Futures (Dec)	£746	-20	£747	£747	£596
Coffee Futures (Nov)	£821	-18	£931	£613	£520
Sugar (LDP Raw)	$249.0	+15.5	$271.2	$293	$194
Barley Futures (Nov)	£113.25	-1.35	£116.75	£121.50	£107.75
Wheat Futures (Nov)	£117.25	-0.85	£118.40	£141.10	£111.80
Cotton Outlook A Index	69.10c	-0.45	80.75c	86.25c	69.10c
Wool (64s Super)	353p	-4	436p	421p	329p
Oil (Brent Blend)	$21.175x	+0.725	$39.125	$29.15	$16.75

Per tonne unless otherwise stated. †Unquoted. p-pence/kg. c-cents/lb. x-Nov.

London Markets

SPOT MARKETS

Crude oil (per barrel FOB)		+ or -
Dubai	$16.90-6.35x	+.45
Brent Blend (dated)	$21.50-1.80	+.575
Brent Blend (Nov)	$21.15-0.20	+.45
W.T.I. (1 pm est)	$22.15-2.20x	+.075
Oil products (NWE prompt delivery per tonne CIF)		+ or -
Premium Gasoline	$236-239	-2.5
Gas Oil	$200-202	+2.0
Heavy Fuel Oil	$74-75	+1.0
Naphtha	$205-208	+2.5
Petroleum Argus Estimates		
Other		+ or -
Gold (per troy oz)♦	$349.15	-2.8
Silver (per troy oz)♦	409.0c	-14
Platinum (per troy oz)	$48.85	-6.5
Palladium (per troy oz)	$82.00	-1.5
Copper (US Producer)	114.0c	
Lead (US Producer)	44.0c	+0
Tin (Kuala Lumpur market)	14.85r	-0.01
Tin (New York)	258.5c	
Zinc (US Prime Western)	62.0c	
Cattle (live weight)†	103.37p	+0.80*
Sheep (dead weight)†	100.99p	+5.68*
Pigs (live weight)†	77.49p	-1.62*
London daily sugar (raw)	$249.0[	+1
London daily sugar (white)	$280.0]	+2
Tate and Lyle export price	£253.0	+1
Barley (English feed)	£117.0u	
Maize (US No. 3 yellow)	£141.0u	
Wheat (US Dark Northern)	£97.0	
Rubber (Nov)♥	82.25p	+0.25
Rubber (Dec)♥	82.75p	+0.25
Rubber (KL RSS No 1 Oct)	222.0m	+0.5
Coconut oil (Philippines)§	$470.0x	
Palm Oil (Malaysian)§	$330.0q	
Copra (Philippines)§	$300.0[	-2.5
Soyabeans (US)	£166.5	
Cotton "A" Index	69.10c	
Wooltops (64s Super)	358p	

£ a tonne unless otherwise stated. p-pence/kg. c-cents/lb. r-ringgit/kg. q-Oct/Dec t-Sep/Dec u-Oct x-Sep/Oct y-Aug/Sep z-Nov [-Oct/Nov. †Meat Commission average fatstock prices. * change from a week ago. ♥London physical market. §CIF Rotterdam. ♦ Bullion market close. m-Malaysian cents/kg.

SUGAR – London FOX ($ per tonne)

Raw	Close	Previous	High/Low
Oct	218.00	217.00	220.00 216.00
Dec	190.00	195.00	190.00
Mar	196.20	197.30	198.00 196.00
Aug	196.80	200.00	194.00
White	**Close**	**Previous**	**High/Low**
Dec	265.0	267.0	267.0 263.7
Mar	267.7	290.0	290.0 268.5
May	268.2	268.5	297.3 268.5

Turnover: Raw 411 (1312) lots of 50 tonnes. White 769 (1198)
Paris- White (FFr per tonne): Dec 1638.50,Mar 1658.66.

CRUDE OIL – IPE ($/barrel)

	Latest	Previous	High/Low
Nov	21.10	20.88	21.10 20.76
Dec	20.92	20.70	20.98 20.50
Jan	20.75	20.50	20.75 20.48
Feb	20.48	20.50	20.51 20.48
Apr	20.08		20.08 20.07
Jun	19.76		19.78
IPE Index	20.72	20.57	

Turnover 14509 (23228)

GAS OIL – IPE ($/tonne)

	Close	Previous	High/Low
Oct	201.00	199.25	201.25 198.50
Nov	203.50	202.00	203.75 201.25
Dec	205.00	203.00	205.00 202.50
Jan	203.25	200.75	203.25 201.00
Feb	196.50	195.50	196.50 195.75
Mar	189.50	189.00	190.75 189.50
Apr	183.00	181.75	184.00 182.00

Turnover 11529 (9500) lots of 100 tonnes

INDICES

REUTERS (Base: September 18 1931 = 100)

	Sep 27	Sep 26	mnth ago	yr ago
	1645.8	1651.7	1657.1	1753.4

DOW JONES (Base: Dec. 31 1974 = 100)

	Sep 26	Sep 25	mnth ago	yr ago
Spot	117.53	118.14	113.04	129.38
Futures	123.82	124.58	121.98	131.66

COCOA – London FOX (£/tonne)

	Close	Previous	High/Low
Sep	718	728	722 716
Dec	746	756	758 736
Mar	784	787	790 778
May	803	806	809 798
Jul	824	828	830 824
Sep	845	848	850 841
Dec	866	870	867 861
Mar	886	884	884 886
May	915	916	911
Jul	930		930

Turnover: 4614 (5049) lots of 10 tonnes
ICCO indicator prices (SDRs per tonne). Daily price for Sep 25 995.29 (937.62) 10 day average for Sep 26 950.28 (948.37)

COFFEE – London FOX (£/tonne)

	Close	Previous	High/Low
Sep	493	500	496 493
Nov	521	522	523 518
Jan	542	546	546 536
Mar	559	564	565 556

Turnover: 1502 (2880) lots of 5 tonnes
ICO indicator prices (US cents per pound) for Sep 25 : Comp. daily 67.22 (67.28) 15 day average 67.01 (67.42)

POTATOES – London FOX (£/tonne)

	Close	Previous	High/Low
Oct	81.0		78.0 78.0
Apr	125.4	125.0	125.0 124.3

Turnover 251 (93) lots of 20 tonnes.

SOYABEAN – London FOX (£/tonne)

	Close	Previous	High/Low
Dec	137.00	137.50	137.00

Turnover 5 (25) lots of 20 tonnes.

FREIGHT – London FOX ($10/index point)

	Close	Previous	High/Low
Oct	1640	1655	1650 1631
Jan	1707	1713	1710 1705
Apr	1716	1725	1715
Jul	1490	1499	1490 1485
Oct	1595		1595
BFI	1524	1524	1524

Turnover 212 (342)

GRAINS – London FOX (£/tonne)

Wheat	Close	Previous	High/Low
Nov	117.25	117.70	117.40 117.15
Jan	120.55	121.00	120.75 120.50
Mar	123.50	124.00	123.70
May	125.50	126.00	125.70 125.50
Jun	126.00	126.40	126.00
Barley	**Close**	**Previous**	**High/Low**
Nov	113.25	113.50	113.40 113.25
Jan	117.05	117.30	117.05 117.00
May	121.50	121.60	121.50 121.40

Turnover: Wheat 250 (478), Barley 70 (40).
Turnover lots of 100 tonnes.

PIGS – London FOX (Cash Settlement) p/kg

	Close	Previous	High/Low
Oct	104.0	105.0	104.0 103.0
Nov	103.0	106.5	104.0
Jan	102.5	103.5	102.5 101.0
Feb	105.0	105.0	103.0
Apr	106.0		106.0 103.5
May	106.5		107.0 106.5

Turnover:80 (52) lots of 3,250 kg

MGEX – London FOX

	Close	Prev.	High	Low	Vol
Indx	134.69	135.29			
Oct	135.10	136.20	135.10	135.10	19
Nov	136.00	136.70	136.00	136.00	1
Dec	136.00	136.90	136.00	136.00	45
Mar	137.30	137.90	137.30	137.30	75

LONDON METAL EXCHANGE (Prices supplied by Amalgamated Metal Trading)

	Close	Previous	High/Low	AM Official	Kerb close	Open interest
Aluminium, 99.7% parity ($ per tonne)					Total daily turnover 25,557 lots	
Cash	1161-3	1185-6	1100	1160-1		
3 months	1180-2	1194-5	1185/1185	1189-90	1194-6	111,677 lots
Copper, Grade A (£ per tonne)					Total daily turnover 27,050 lots	
Cash	1348-50	1360-2	1355/1354	1355-6		
3 months	1347-48	1354-5	1358/1347	1350-1	1357-7.5	112,474 lots
Lead (£ per tonne)					Total daily turnover 2,980 lots	
Cash	310.5-1.5	309.5-10.5	311/310.5	310.50-0.75		
3 months	320.5-21.0	319.5-20	321/320	320.00-0.50	320.5-1	18,278 lots
Nickel ($ per tonne)					Total daily turnover 5,715 lots	
Cash	7460-600	7440-60		7465-75		
3 months	7530-40	7490-500	7325/7460	7500-10	7525-40	16,788 lots
Tin ($ per tonne)					Total daily turnover - lots	
Cash	5540-45	5510-60	5545/5540	5535-40		
3 months	5605-10	5585-90	5615/5600	5600-05	5610-15	5,782 lots
Zinc, Special High Grade ($ per tonne)					Total daily turnover 7,009 lots	
Cash	1017-18	1018-9	1017.0	1017-7.0		
3 months	1037-8	1038-9	1038/1035	1037-8	1036-9	29,273 lots

LME Closing £/$ rate:
SPOT: 1.7375 3 months: 1.7183 6 months: 1.7055 9 months: 1.6875

LONDON BULLION MARKET (Prices supplied by N.M.Rothschild)

Gold (fine oz) $ price		£ equivalent
Close	348.90-349.40	
Opening	350.45-350.75	
Morning fix	348.40	201.411
Afternoon fix	348.45	201.439
Day's high	350.50-350.80	
Day's low	347.70-348.15	

Loco Ldn Mean Gold Lending Rates (% US$)			
1 month	5.09	6 months	5.00
2 months	5.10	12 months	4.94
3 months	5.05		

Silver fix	p/fine oz	US cts equiv
Spot	236.40	408.00
3 months	242.35	414.55
6 months	248.00	422.00
12 months	260.05	432.50

GOLD COINS (Prices supplied by Engelhard Metals)

	$ price	£ equivalent
Krugerrand	346.50-349.50	201.50-202.00
Maple leaf	358.50-359.50	207.25-207.75
New Sovereign	65.00-66.00	40.25-40.75

TRADED OPTIONS

Coffee	Nov	Jan	Nov	Jan
500	24	52	3	11
550	32	23		37
600		9	79	65
Cocoa	**Dec**	**Mar**	**Dec**	**Mar**
725	46	60	25	30
750	34	74	36	40
775	25	61	54	52
Brent Crude	**Nov**	**Dec**	**Nov**	**Dec**
2000	57			26
2050	61	78	12	47
2100	32	50	30	

New York

GOLD 100 troy oz.; $/troy oz.

	Close	Previous	High/Low
Oct	349.1	350.8	349.3 348.0
Nov	350.7	352.4	6 0
Dec	352.4	354.1	352.5 350.8
Feb	355.3	357.1	355.4 354.2
Apr	358.0	359.9	358.0 357.1
Jun	360.9	362.9	360.8 360.0
Aug	363.9	365.9	0 6
Oct	366.9	368.1	0 6
Dec	370.0	372.3	0 0

PLATINUM 50 troy oz; $/troy oz.

	Close	Previous	High/Low
Oct	348.0	350.5	349.5 347.0
Jan	353.2	354.8	354.0 351.5
Apr	356.8	358.6	358.0 356.0
Jul	360.6	362.4	362.0 361.0
Oct	367.8	369.4	0 0

SILVER 5,000 troy oz; cents/troy oz.

	Close	Previous	High/Low
Oct	407.5	410.9	0 0
Nov	409.5	413.1	6 0
Dec	412.0	415.5	412.5 408.0
Jan	414.2	417.7	413.0 413.0
Mar	418.7	422.3	418.5 416.5
May	423.0	426.7	424.5 421.0
Jul	427.2	431.0	428.5 426.5
Sep	431.8	435.7	0 0
Dec	436.0	440.0	440.0 436.0
Jan	441.7	445.7	0 0

HIGH GRADE COPPER 25,000 lbs; cents/lbs

	Close	Previous	High/Low
Oct	109.35	108.90	109.50 108.30
Nov	107.00	107.50	107.80 107.80
Dec	106.60	106.30	106.85 105.40
Jan	105.40	105.10	104.30 104.30
Feb	104.65	104.35	103.60 103.60
Mar	103.85	103.60	104.00 102.90
Apr	103.15	102.95	103.00 103.00
May	102.55	102.40	102.90 102.40
Jun	102.10	102.00	102.00 101.90
Jul	101.55	101.60	101.30 101.30

SUGAR WORLD "11" 112,000 lbs; cents/lbs

	Close	Previous	High/Low
Oct	9.59	9.61	9.71 9.50
Mar	9.17	9.22	9.23 9.10
May	9.06	9.10	9.11 9.00
Jul	9.03	9.05	9.08 9.00
Oct	8.95	8.94	8.99 8.94

CRUDE OIL (Light) 42,000 US gells $/barrel

	Latest	Previous	High/Low
Nov	22.39	22.21	22.46 22.21
Dec	22.25	22.05	22.32 22.08
Jan	22.05	21.90	22.10 21.90
Mar	21.67	21.53	21.80 21.50
May	21.30	21.20	21.32 21.20
Jun	21.20	21.10	21.15 21.08
Jul	21.07	21.02	21.08 20.55
Aug	21.01	20.97	21.00 20.94

HEATING OIL 42,000 US gells, cents/US gells

	Latest	Previous	High/Low
Oct	6360	6301	6365 6305
Dec	6395	6337	6400 6330
Jan	6420	6357	6430 6370
Feb	6475	6422	6480 6430
Apr	5960	5917	5960 5950
May	5760	5757	5785 5775
Jun	5860	5852	5860 5850

COCOA 10 tonnes;$/tonnes

	Close	Previous	High/Low
Dec	1210	1223	1215 1185
Mar	1263	1273	1265 1241
May	1293	1305	1294 1277
Jul	1320	1331	1320 1301
Sep	1340	1353	1341 1330
Dec	1363	1369	1378 1375
Mar	1418	1424	1411 1411
May	1443	1447	0 0
Jul	1463	1472	0 0

COFFEE "C" 37,500lbs; cents/lbs

	Close	Previous	High/Low
Dec	85.75	86.35	85.70 85.60
Mar	89.35	92.75	92.00 88.90
May	91.65	94.85	94.15 91.20
Jul	94.00	97.00	94.00 93.50
Sep	96.80	100.00	98.45 95.80
Dec	100.20	103.25	0 0

COTTON 50,000; cents/lbs

	Close	Previous	High/Low
Oct	62.65	62.92	63.58 62.65
Dec	64.84	64.90	65.45 64.70
Mar	66.45	66.48	67.00 66.37
May	67.10	67.22	67.65 67.10
Jul	67.65	67.82	68.40 67.65
Oct	66.62	66.40	0 0
Dec	66.35	66.16	66.36 66.30
Mar	67.15	67.10	0 0

ORANGE JUICE 15,000 lbs; cents/lbs

	Close	Previous	High/Low
Nov	124.10	124.85	125.80 123.50
Jan	122.80	124.25	124.00 122.70
Mar	123.40	124.90	124.60 123.00
May	124.60	126.00	0 0
Jul	124.60	126.00	0 0
Sep	124.60	126.00	0 0
Nov	124.60	126.00	0 0
Jan	124.60	126.00	0 0

SPICES
Nutmegs/mace markets were again depressed, reports Man-production, with abcd spot US$2,250 a tonne, shipment $2,050. Sa spot $1,400, shipment $1,425. Bwp spot Europe $800, shipment $785. Mace whole/broken spot $2,200, shipment $2,100. Continued — market dull at high levels. Only origin seller is free at $1,600 fob Oct/Nov. Spot Europe $1,725 ex-warehouse. Ginger — Nigeria $700, China Nov $1,800, China fales at $1,300 cnf. Australian $4,800. Cloves — shipment $1,800 cif Rotterdam, spot $1,875. Cassia — steady. Spot vs/fa: $2,200, Nov/Dec shipment $2,050.

Chicago

SOYABEANS 5,000 bu min; cents/60lb bushel

	Close	Previous	High/Low
Nov	585/2	588/0	588/4 584/2
Jan	596/2	599/0	600/0 595/0
Mar	606/2	609/4	610/0 605/0
May	613/4	616/2	617/0 612/0
Jul	618/4	620/0	622/0 618/2
Aug	615/0	616/0	616/4 615/4
Sep	593/0	596/0	596/0 593/0
Nov	585/2	582/2	582/4 584/6

SOYABEAN OIL 60,000 lbs; cents/lb

	Close	Previous	High/Low
Oct	20.04	20.20	20.23 20.02
Dec	20.39	20.56	20.58 20.36
Jan	20.58	20.77	20.73 20.57
Mar	20.89	21.07	21.07 20.89
May	21.16	21.30	21.38 21.16
Jul	21.53	21.80	21.67 21.80
Aug	21.65	21.75	21.78 21.65
Sep	21.80	21.80	21.85 21.80
Oct	21.80	21.80	21.80 21.80
Dec	21.85	21.85	21.85 21.80

SOYABEAN MEAL 100 tons; $/ton

	Close	Previous	High/Low
Oct	191.1	190.7	191.0 189.4
Dec	188.4	188.6	189.6 187.6
Jan	187.3	186.7	187.8 185.9
Mar	185.3	184.5	186.3 184.3
May	182.9	182.1	184.0 181.0
Jul	181.7	181.1	183.0 181.0
Aug	180.5	180.0	181.0 180.5
Sep	179.0	178.2	179.0 177.5
Oct	181.0	180.0	181.0 180.2
Dec	191.7	191.2	192.9 191.0

WHEAT 5,000 bu min; cents/60lb-bushel

	Close	Previous	High/Low
Dec	331/4	325/6	332/0 324/2
Mar	336/4	329/2	336/4 327

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Consumer data weakens dollar

THE DOLLAR edged lower yesterday in slow trading after the latest US personal income and consumption figures led to fresh speculation about a reduction in American interest rates.

The 0.4 per cent rise in personal income during August was marginally below expectations, while the 0.1 per cent gain in consumption was slightly above most forecasts.

Initially, the market showed no reaction to the data but as economists examined the figures, the dollar came under pressure as it became clear that US consumers are using their rising income to pay off debt rather than spend it in the shops.

With an investment-led recovery unlikely, hopes for a solid upswing have fallen on the shoulders of the consumer. Their reluctance to react more strongly to the reduction in interest rates has led to fears that the Federal Reserve will cut interest rates again to prevent the economy sliding back into recession.

Next week, the release of the September employment report is likely to dominate markets and could confine the dollar to a narrow range. Economists at Midland Montagu expect September non-farm payroll employment to have risen by just 10,000 persons, against the 34,000 increase the previous month.

Until New York opened, the US currency remained trapped in a tight range. But after the consumer data a large US bank actively sold dollars in New York. The bank had driven the dollar higher earlier in the week and yesterday's sales were reckoned to be profit-taking.

The dollar closed lower at DM1.6770 from DM1.6825; at SFr1.4595 from SFr1.4650; at Y133.50 from Y133.45; and at FFr5.7125 from FFr5.7325.

Inside the European exchange rate mechanism, the Bank of Spain was reported to have intervened to break the peseta's decline, selling dollars and buying pesetas in Madrid. The previous day there were widespread suggestions that the Bank of Spain had sold D-Marks for peseta's but that had failed to stop the decline.

The weakness in the Spanish currency follows indications earlier in the week from Mr Carlos Solchaga, the Spanish finance minister, that monetary policy may be eased to offset an expected tight 1992 budget. The D-Mark fell back to Pta63.29-32 from Pta63.44 in the previous session.

Sterling was mixed to weaker after an opinion poll which put the Labour party slightly ahead of the Conservative party.

Sterling closed lower at DM2.9125 from DM2.9150; at SFr2.5350 from SFr2.5400; and at FFr9.9250 from FFr9.9350; but was higher at $1.7375 from $1.7330; and at Y231.75 from Y231.50. Sterling's index rose 0.1 to 91.0.

£ IN NEW YORK

Sep 27	Latest	Previous Close
£ Spot	1.7405-1.7415	1.7280-1.7290
1 month	0.74-0.73pm	0.76-0.73pm
3 months	1.99-1.97pm	2.01-1.98pm
12 months	6.87-6.72pm	6.70-6.60pm

Forward premiums and discounts apply to the US dollar

STERLING INDEX

	Sep 27	Previous
8.30 am	90.9	91.0
9.00 am	90.9	91.0
10.00 am	90.9	91.1
11.00 am	90.9	91.0
Noon	90.9	91.0
1.00 pm	90.9	91.0
2.00 pm	90.9	91.0
3.00 pm	90.9	91.0
4.00 pm	91.0	90.9

CURRENCY MOVEMENTS

Sep 27	Bank of England Index	Morgan** Guaranty Changes %
Sterling	91.0	-20.6
U.S Dollar	64.8	-14.2
Canadian Dollar	106.2	+3.6
Austrian Schilling	109.2	+11.6
Belgian Franc	118.7	+2.4
Danish Krone	108.5	+3.1
D-Mark	117.5	+24.1
Swiss Franc	109.9	+18.6
Dutch Guilder	113.5	+15.6
French Franc	102.3	-13.5
Lira	58.7	-19.9
Yen	138.9	+71.6

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (Base Average 1985=100. **Rates are for Sep.26

CURRENCY RATES

Sep 27	Bank § rate %	Special* Drawing Rights	European† Currency Unit
Sterling	-	0.784272	0.702008
U.S Dollar	5.50	1.34052	1.21461
Canadian $	6.75	1.54410	1.37859
Austrian Sch	7.50	16.3103	14.4114
Belgian Franc	8.00	47.2643	42.2947
Danish Krone	9.50	N/A	7.90349
D-Mark	7.50	2.28721	2.04784
Dutch Guilder	8.00	2.57781	2.30837
French Franc	10¼	7.80416	6.97612
Italian Lira	11¼	1711.77	1531.02
Japanese Yen	5.50	181.531	162.515
Norway Krone	8	8.97553	8.01037
Spanish Peseta	-	144.984	129.598
Swedish Krona	10.00	N/A	7.46926
Swiss Franc	7.00	1.99083	1.78305
Greek Drach	19	N/A	227.715
Irish Punt	-	N/A	0.766027

§ Bank rate refers to central bank discount rates. These are not quoted by the UK, Spain and Ireland. † European Commission Calculations. * All SDR rates are for Sep.26

OTHER CURRENCIES

Sep 27	£	$
Argentina	17112.1 - 17129.4	9900.00 - 9910.00
Australia	2.1735 - 2.1755	1.2565 - 1.2585
Brazil	784.110 - 785.540	453.900 - 454.200
Finland	7.0975 - 7.1105	4.1080 - 4.1110
Greece	321.650 - 326.800	185.820 - 188.790
Hong Kong	13.3885 - 13.4020	7.7470 - 7.7490
Iran	115.80P	68.50P
Kuwait	0.4270 - 0.4290	0.2467 - 0.2480
Luxembourg	60.10 - 60.20	34.60 - 34.70
Malaysia	4.7490 - 4.7570	2.7450 - 2.7510
Mexico	5292.70 - 5292.25	3058.00 - 3060.00
N.Zealand	3.0390 - 3.0435	1.7560 - 1.7605
Saudi Ar	5.0250 - 5.0300	2.9025 - 2.9075
Singapore	2.9255 - 2.9305	1.6950 - 1.6970
S.Af (Com)	4.8730 - 4.8845	2.8210 - 2.8225
S.Af (Fin)	5.2710 - 5.3525	3.0490 - 3.0960
Taiwan	45.80 - 45.90	26.50 - 26.55
U.A.E	6.3205 - 6.3975	3.6715 - 3.6735

* Selling rate.

FORWARD RATES AGAINST STERLING

	Spot	1 mth	3 mths	6 mths	12 mths
US Dollar	1.7375	1.7301	1.7180	1.7007	1.6702
D-mark	2.9125	2.9095	2.9079	2.9051	2.9001
French Fr.	9.9250	9.9147	9.9103	9.9003	9.8782
Swiss Fr.	2.5350	2.5300	2.5233	2.5121	2.4868
Yen	231.75	231.03	229.64	227.53	223.24

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu Central Rates	Currency Amounts Against Ecu Sep 27	% Change from Central Rate	% Spread vs Weakest Currency	Divergence Indicator
Spanish Peseta	133.631	129.598	-3.02	4.32	52
Belgian Franc	42.4032	42.2047	-0.47	1.65	25
Italian Lira	1538.24	1531.02	-0.47	1.65	26
D-Mark	2.09586	2.04784	-0.39	1.57	28
Dutch Guilder	2.31643	2.30837	-0.35	1.53	20
Irish Punt	0.767417	0.766027	-0.18	1.36	10
Sterling	0.696904	0.702008	0.74	0.43	-15
Danish Krone	7.84195	7.90349	0.78	0.34	-34
French Franc	6.89509	6.97612	1.18	0.00	-62

Ecu central rates set by the European Commission. Currencies are in descending relative strength. Percentage changes are for Ecu; a positive change denotes a weak currency. Divergence shows the ratio between two spreads: the percentage difference between the actual market and Ecu central rates for a currency, and the maximum permitted percentage deviation of the currency's market rate from its Ecu central rate. Adjustment calculated by Financial Times.

POUND SPOT - FORWARD AGAINST THE POUND

Sep 27	Day's spread	Close	One month	% p.a.	Three months	% p.a.
US	1.7270 - 1.7380	1.7370 - 1.7380	0.75-0.73cpm	5.11	1.96-1.93pm	4.48
Canada	1.9620 - 1.9700	1.9680 - 1.9690	0.39-0.30cpm	2.10	0.94-0.78pm	1.75
Netherlands	3.2700 - 3.2900	3.2800 - 3.2900	½-¼cpm	1.37	⅞-⅝pm	0.91
Belgium	59.85 - 60.20	60.10 - 60.20	9-5cpm	1.40	18-12pm	1.00
Denmark	11.2085 - 11.2805	11.2625 - 11.2725	1¼-¼ores	0.73	1¾-½pm	0.38
Ireland	1.0880 - 1.0925	1.0905 - 1.0915	0.05-par cpm	0.27	0.13-0.03pm	0.29
Germany	2.9080 - 2.9185	2.9105 - 2.9115	1¼-¾pfg	1.29	¾-⅜pfg	0.98
Portugal	250.80 - 252.50	251.50 - 252.50	20-70cdis	-2.21	148-220dis	-2.92
Spain	183.80 - 184.90	184.10 - 184.40	25-34cdis	-1.86	18-97dis	-1.25
Italy	2175.95 - 2181.20	2178.25 - 2179.25	1-21lrdis	-0.83	5-7dis	-1.10
Norway	11.3730 - 11.4375	11.4275 - 11.4375	¼-½ore dis	-0.33	¼-1¼dis	-0.39
France	9.9100 - 9.9455	9.9200 - 9.9300	1¼-⅞cpm	1.21	2¼-1⅞pm	0.76
Sweden	10.5995 - 10.6380	10.6400 - 10.6500	¼-¼ore pm	0.35	¼-1¼dis	-0.23
Japan	231.25 - 232.25	231.25 - 232.25	1¾-¾yen	3.56	2¾-2pm	3.67
Austria	20.47 - 20.54	20.49 - 20.52	2⅝-1¾groen	1.24	5½-2½pm	0.78
Switzerland	2.5300 - 2.5420	2.5300 - 2.5400	¾-¼cpm	2.66	1⅞-1¼pm	2.07
Ecu	1.4205 - 1.4270	1.4235 - 1.4245	0.11-0.05cpm	0.67	0.09-0.02pm	0.15

Commercial rates taken towards the end of London trading. Six-month forward dollar 3.69-3.64cpm. 12 Month 6.78-6.68cpm.

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

Sep 27	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.7270 - 1.7380	1.7370 - 1.7380	0.75-0.73cpm	5.11	1.96-1.93pm	4.48
Ireland†	1.5830 - 1.5920	1.5910 - 1.5920	0.62-0.57cpm	4.49	1.75-1.65pm	4.27
Canada	1.1335 - 1.1360	1.1340 - 1.1350	0.27-0.30cdis	-3.01	0.75-0.82dis	-2.77
Netherlands	1.8890 - 1.9030	1.8960 - 1.8910	0.60-0.63cdis	-3.9	1.77-1.82dis	-3.81
Belgium	34.55 - 34.85	34.60 - 34.70	11.00-13.00cdis	-4.16	30.00-35.00dis	-3.75
Denmark	6.4825 - 6.5155	6.4825 - 6.4875	2.22-2.52oredis	-4.39	6.50-7.20dis	-4.23
Germany	1.6760 - 1.6880	1.6765 - 1.6775	0.53-0.54pfdis	-3.83	1.61-1.64dis	-3.88
Portugal	145.20 - 145.80	145.20 - 145.30	105-115cdis	-9.09	298-318dis	-8.48
Spain	106.20 - 106.80	106.20 - 106.30	67-72cdis	-7.85	171-179dis	-6.59
Italy	1254.00 - 1262.10	1258.75 - 1254.25	6.60-7.10lrdis	-6.56	18.00-19.00dis	-5.9
Norway	6.5775 - 6.6040	6.5775 - 6.5825	2.82-3.12oredis	-5.42	8.00-8.60dis	-5.05
France	5.7100 - 5.7550	5.7100 - 5.7150	2.07-2.12cdis	-4.4	5.59-5.69dis	-3.95
Sweden	6.1130 - 6.1630	6.1250 - 6.1300	2.40-2.65oredis	-4.94	7.05-7.60dis	-4.78
Japan	133.40 - 134.00	133.40 - 133.50	0.14-0.15ydis	-1.3	0.28-0.29dis	-0.85
Austria	11.8450 - 11.8740	11.8665 - 11.8715	4.20-4.60groedis	-4.45	11.10-12.30dis	-3.94
Switzerland	1.4600 - 1.4715	1.4590 - 1.4600	0.33-0.35cdis	-2.88	0.95-1.00dis	-2.67
Ecu	1.2120 - 1.2220	1.2210 - 1.2220	0.52-0.49cpm	4.96	1.37-1.31pm	4.39

Commercial rates taken towards the end of London trading. † UK, Ireland and ECU are quoted in US currency. Forward premiums and discounts apply to the US dollar and not to the individual currency.

EURO-CURRENCY INTEREST RATES

Sep 27	Short term	7 Days notice	One Month	Three Months	Six Months	One Year
Sterling	10¼ - 10⅛	10¼ - 10⅛	10½ - 10⅜	10⅝ - 10½	10¼ - 10⅛	10⅛ - 10⅛
US Dollar	5¼ - 5⅛	5⅝ - 5½	5½ - 5⅜	5⅝ - 5½	5¼ - 5⅛	5⅞ - 5¾
Can. Dollar	8¾ - 8½	8¾ - 8½	8¾ - 8½	8¾ - 8	8¾ - 8	8⅞ - 8⅞
Dutch Guilder	9⅝ - 8⅞	9⅝ - 9½	9⅝ - 9½	9⅝ - 9½	9⅝ - 9½	9⅞ - 9½
Swiss Franc	9 - 8¼	8¼ - 8	8¼ - 8	8¼ - 8	8¼ - 8	8 - 7⅞
D-Mark	9¾ - 9½	9¾ - 9½	9¾ - 9½	9⅝ - 9½	9½ - 9¼	9¼ - 9¼
French Franc	9¾ - 9½	9⅞ - 9½	9⅞ - 9½	9⅞ - 9½	9½ - 9¼	9½ - 9¼
Italian Lira	12 - 10	11½ - 10½	11½ - 11	11½ - 11	11½ - 11¼	11⅝ - 11⅜
Belgian Franc	9¾ - 9½	9¾ - 9½	9¾ - 9½	9¾ - 9½	9½ - 9¼	9½ - 9¼
Yen	15 - 12	7 - 6⅞	6⅞ - 6¾	6⅞ - 6⅞	6¾ - 6⅝	6¼ - 6
Danish Krone	9¾ - 9½	9¾ - 9½	9¾ - 9½	9¾ - 9½	9¾ - 9½	9¾ - 9½
Asian $Sing	5⅞ - 5¾	5⅞ - 5¾	5⅞ - 5¾	5⅞ - 5¾	5⅞ - 5½	5¾ - 5½

Long term Eurodollars: two years 6¼-6⅛ per cent; three years 6⅞-6⅝ per cent; four years 7¼-7⅛ per cent, five years 7½-7⅜ per cent nominal. Short term rates are call for US Dollars and Japanese Yen; others, two days' notice.

EXCHANGE CROSS RATES

Sep.27	£	$	DM	Yen	F Fr.	S Fr.	H Fl.	Lira	C$	B Fr.	ECU
£	1	1.738	2.913	231.8	9.925	2.535	3.285	2179.	1.969	60.15	1.424
$	0.575	1	1.676	133.4	5.711	1.459	1.890	1254	1.133	34.61	0.819
DM	0.343	0.597	1	79.57	3.407	0.870	1.128	748.0	0.676	20.65	0.489
YEN	4.314	7.498	12.57	1000.	42.82	10.94	14.17	9400	8.494	259.5	6.143
F Fr.	1.008	1.751	2.935	233.6	10.	2.554	3.310	2195	1.984	60.60	1.435
S Fr.	0.394	0.686	1.149	91.44	3.915	1	1.296	859.6	0.777	23.73	0.562
H Fl.	0.304	0.529	0.887	70.56	3.021	0.772	1	663.3	0.599	18.31	0.433
Lira	0.459	0.798	1.337	106.4	4.555	1.163	1.508	1000.	0.904	27.60	0.654
C$	0.508	0.883	1.479	117.7	5.041	1.287	1.668	1107	1	30.55	0.723
B Fr.	1.663	2.889	4.843	385.4	16.50	4.214	5.461	3623	3.273	100.	2.367
ECU	0.702	1.221	2.046	162.8	6.970	1.780	2.307	1530	1.383	42.24	1

Yen per 1,000: French Fr. per 10: Lira per 1,000: Belgian Fr. per 100.

FINANCIAL FUTURES AND OPTIONS

LIFFE LONG GILT FUTURES OPTIONS £50,000 64ths of 100%

Strike Price	Calls-settlements Dec	Mar	Puts-settlements Dec	MAR
93	3-13	3-48	0-13	0-46
94	2-24	3-04	0-34	1-02
95	1-43	2-28	0-43	1-26
96	1-06	1-58	1-06	1-56
97	0-41	1-29	1-44	2-27
98	0-27	1-05	2-27	3-03
99	0-16	0-51	3-16	3-49
100	0-09	0-36	4-09	4-34

Estimated volume total, Calls 3381 Puts 1508
Previous day's open int. Calls 24051 Puts 14567

LIFFE EURODMARK OPTIONS DM1m points of 100%

Strike Price	Calls-settlements Dec	Mar	Puts-settlements Dec	MAR
9875	0.91	1.17	0	0
9000	0.67	0.93	0.01	0.01
9025	0.44	0.70	0.03	0.03
9050	0.23	0.49	0.07	0.07
9075	0.09	0.31	0.18	0.14
9100	0.03	0.17	0.37	0.26
9125	0.01	0.08	0.60	0.41
9150	0	0.03	0.84	0.61

Estimated volume total, Calls 950 Puts 725
Previous day's open int. Calls 17517 Puts 14385

LONDON (LIFFE)

26-YEAR 9% NATIONAL GILT * £50,000 32nds of 100%

	Close	High	Low	Prev.
Dec	96-00	96-04	95-21	95-27
Mar	96-01	95-28	95-28	95-27

Estimated volume 14976 (25102)
Previous day's open int. 0 (59999)

US TREASURY BONDS 8% * $100,000 32nds of 100%

	Close	High	Low	Prev.
Dec	99-20	99-22	99-06	99-00
Mar	98-26			98-06

Estimated volume 1827 (3882)
Previous day's open int. 0 (3723)

6% NOTIONAL GERMAN GOVT. BOND * DM250,000 100ths of 100%

	Close	High	Low	Prev.
Dec	85.41	85.48	85.35	85.32
Mar	85.60	85.54	85.54	85.51

Estimated volume 13002 (7761)
Previous day's open int. 0 (92235)

6% NOTIONAL LONG TERM JAPANESE GOVT. BOND Y100m 100ths of 100%

	Close	High	Low
Dec	99.62	99.62	99.47
Mar	99.74		

Estimated volume 570 (627)
Traded exclusively on APT

9% NOTIONAL ECU BOND ECU 200,000 100ths of 100%

	Close	High	Low	Prev.
Dec	100.50			99.96
M				
A				

Estimated volume 0 (0)
Previous day's open int. 0 (270)

12% NOTIONAL ITALIAN GOVT. BOND (BTP) LIRA 200m 100ths of 100%

	Close	High	Low	Prev.
Dec	97.17	97.22	96.90	96.97
Mar	97.17	97.20	96.99	96.97

Estimated volume 10882 (12971)
Previous day's open int. 0 (9999)

THREE MONTH STERLING * £500,000 points of 100%

	Close	High	Low	Prev.
Dec	90.15	90.19	90.14	90.19
Mar	90.40	90.41	90.37	90.42
Jun	90.37	90.39	90.37	90.39
Sep	90.32	90.35	90.32	90.35
Dec	90.24	90.25	90.23	90.26
Mar	90.08	90.09	90.08	90.10

Est. Vol. (inc. figs. not shown) 13209 (21386)
Previous day's open int. 0 (126076)

THREE MONTH EURODOLLAR * $1m points of 100%

	Close	High	Low	Prev.
Dec	94.33	94.34	94.29	94.29
Mar	94.44	94.45	94.40	94.38
Jun	94.23	94.23	94.18	94.12
Sep	93.86	93.87	93.87	93.72

Est. Vol. (inc. figs. not shown) 3193 (4941)
Previous day's open int. 0 (263222)

THREE MONTH EURODMARK * DM 1m points of 100%

	Close	High	Low	Prev.
Dec	90.66	90.68	90.63	90.68
Mar	90.92	90.94	90.89	90.93
Jun	91.13	91.15	91.11	91.15
Sep	91.29	91.29	91.27	91.29
Dec	91.35	91.35	91.32	91.35
Mar	91.47	91.44	91.44	91.45

Estimated volume 10305 (15540)
Previous day's open int. 0 (132983)

THREE MONTH ECU ECU 1m points of 100%

	Close	High	Low	Prev.
Dec	90.28	90.30	90.25	90.29
Mar	90.64	90.65	90.60	90.66
Jun	90.86	90.86	90.85	90.89
Sep	90.96			90.99

Estimated volume 391 (239)
Previous day's open int. 0 (4154)

THREE MONTH EURO SWISS FRANC SFR 1m points of 100%

	Close	High	Low	Prev.
Dec	92.05	92.05	92.00	92.06
Mar	92.42	92.43	92.36	92.44
Jun	92.61	92.61	92.58	92.44
Sep	92.72	92.72	92.72	92.73

Estimated volume 2085 (1658)
Previous day's open int. 0 (18812)

FT-SE 100 INDEX * £25 per full index point

	Close	High	Low	Prev.
Sep	2604.0	2615.0	2597.0	2607.0
Dec	2664.0	2672.0	2650.0	2663.0
Mar	2700.0			2699.0

Estimated volume 9858 (13775)
Previous day's open int. 0 (41045)

FT-SE EUROTRACK 100 INDEX 0.0858 per full index point

	Close	High	Low	Prev.
Dec	1126.0	1128.0	1128.0	1130.0
Mar				

Estimated volume 1 (0)
Previous day's open int. 0 (208)

* Contracts traded on APT after trading hours

POUND - DOLLAR

FT FOREIGN EXCHANGE RATES

Spot	1-mth.	3-mth.	6-mth.	12-mth.
1.7375	1.7301	1.7180	1.7007	1.6702

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev.
Dec	99-11	99-12	99-04	99-06
Mar	98-17	98-18	98-12	98-13
Jun	-	-	-	97-19
Sep	-	-	-	96-28
Dec	-	-	-	96-07
Mar	-	-	-	95-20
Jun	-	-	-	95-03
Sep	-	-	-	94-19
Dec	-	-	-	94-05
Mar	-	-	-	93-24
Jun				

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Latest	High	Low	Prev.
Dec	94.92	94.93	94.91	94.90
Mar	94.98	94.98	94.98	94.97
Jun	-	-	-	94.78
Sep	-	94.48	-	94.44
Dec	-	-	-	93.94

BRITISH POUND (IMM) $1 per £

	Latest	High	Low	Prev.
Dec	1.7116	1.7130	1.7100	1.7104
Mar	1.6954	1.6960	1.6954	1.6936
Jun	-	1.6800	-	1.6776

SWISS FRANC (IMM) SFr 125,000 $ per SFr

	Latest	High	Low	Prev.
Dec	0.6768	0.6776	0.6763	0.6775
Mar	0.6720	0.6740	0.6720	0.6737
Jun	-	-	-	0.6705

PHILADELPHIA SE C/S OPTIONS £31,250 (cents per £)

Strike Price	Calls Oct	Nov	Dec	Mar	Puts Oct	Nov	Dec	Mar
1.625	9.90	9.90	9.91	-	0.01	0.41	0.87	-
1.650	7.50	7.57	7.98	-	0.05	0.71	1.42	-
1.675	5.03	5.70	6.06	-	0.22	1.36	2.20	-
1.700	3.06	3.98	4.37	5.57	0.65	2.26	3.14	5.78
1.725	1.50	2.56	3.09	4.27	1.65	3.40	4.45	7.06
1.750	0.59	1.64	2.19	3.31	3.24	5.02	6.10	8.66
1.775	0.22	0.95	1.46	2.53	5.17	6.85	7.88	10.44

Previous day's open int: Calls 240,518 Puts 305,656 (All currencies)
Previous day's volume: Calls 10,344 Puts 21,146 (All currencies)

PARIS

7 to 10 YEAR 10% NOTIONAL FRENCH BOND (MATIF) FUTURES

	Open	Sett price	Change	High	Low	Yield	Open Int.
December	106.74	106.82	+0.12	106.84	106.66	8.98	91,151
March	106.74	106.88	+0.16	106.82	106.74	8.95	6,183
June	106.94	107.10	+0.20	107.04	106.94	8.93	2,512

Estimated volume 46,900 Total Open Interest 99,856

6 to 10 YEAR 10% ITALIAN LONG TERM CONTRACT (MATIF) FUTURES

	Open	Sett price	Change	High	Low	Yield	Open Int.
December	86.60	86.60	+0.18	86.67	86.46	12.45	7,071
March	86.52	86.60	+0.10	86.52	86.52	12.43	103

Estimated volume 4,538 Total Open Interest 7,174

THREE-MONTH PIBOR FUTURES (MATIF) (Paris Interbank offered rate)

December	90.72	90.70	-	90.73	90.68	9.30	31,186

Estimated volume 12,679 Total Open Interest 43,800

CAC-40 FUTURES (MATIF) Stock Index

September	1878.0	1884.5	+8.0	1885.5	1870.0	-	8,839
October	1892.0	1898.5	+7.5	1900.0	1884.5	-	12,237
November	1906.0	1912.7	+7.2	1906.0	1899.2	-	1,355
December	1916.0	1926.5	+6.5	1916.0	1915.0	-	2,235

Estimated volume 10,627 Total Open Interest 24,666

ECU BOND (MATIF)

December	106.56	106.58	+0.08	106.62	106.46	8.99	4,320
March	106.48	106.58	+0.08	106.48	106.48	8.99	536

Estimated volume 1,584 Total Open Interest 4,856

OPTION ON LONG-TERM FRENCH BOND (MATIF)

Strike	Calls December	March	June	Puts December	March	June
104	-	-	-	0.08	0.33	-
105	-	-	-	0.18	0.54	-
106	1.19	-	-	0.59	-	-
107	0.63	-	-	0.82	-	-
Open Int	102,936	32,995	2,150	80,837	33,490	7,650

Estimated volume 10,559 Total Open Interest 260,058

MONEY RATES

NEW YORK

Lunchtime

	S
Prime rate	7½
Broker loan rate	5¾
Fed. funds	-
Fed. funds at intervention	

Treasury Bills and Bonds

One month	5.09	Three year	6.28
Two month	5.49	Four year	6.49
Three month	5.27	Five year	6.94
Six month	5.36	Seven year	7.32
Dec year	5.44	10-year	7.51
Two year	6.04	30-year	7.85

Sep.27	Overnight	One Month	Two Months	Three Months	Six Months	Lombard Intervention
Frankfurt	9.05-9.20	9.00-9.15	9.05-9.20	9.15-9.30	9.20-9.35	9.25
Paris	9¼-9⅛	9⅜-9¼	9¼-9⅛	9⅜-9¼	9⅜-9½	9.25
Zurich	7¾-7½	7¾-8½	-	7¾-8½	-	-
Amsterdam	9.00-9.15	9.08-9.18	-	9.20-9.25	-	-
Tokyo	6⅜-6⅜	6⅝-6⅜	-	6⅝-6⅜	-	-
Milan	10¾-11	11¼-11⅛	-	11¼-11¼	-	-
Brussels	9.12-9.25	9⅜-9¼	-	9¼-9⅜	-	-
Dublin	10-10¼	10-10⅛	10⅛-10⅜	10⅛-10⅛	10⅛-10⅜	-

LONDON MONEY RATES

Sep 27	Overnight	7 days notice	One Month	Three Months	Six Months	One Year
Interbank Offer	13	10¾	10¾	10⅝	10⅝	10⅝
Interbank Bid	10½	10⅝	10⅝	10⅝	10⅝	10⅝
Sterling CDs	-	-	10⅝	10⅝	10⅝	10⅝
Local Authority Deps	10½	10½	10½	10½	10½	10¼
Local Authority Bonds	-	-	-	-	-	-
Discount Mkt Deps	11	10½	-	-	-	-
Company Deposits	-	-	10¾	10¾	10⅝	10¼
Finance House Deposits	-	-	10¾	10⅝	10⅝	10½
Treasury Bills (Buy)	-	-	10⅜	9¾	9⅞	-
Bank Bills (Buy)	-	-	10⅜	9¾	9⅞	-
Fine Trade Bills (Buy)	-	-	-	-	-	-
Dollar CDs	-	-	5.43	5.62	5.62	5.77
5DR Linked Dep Offer	-	-	7¾	7¼	7⅜	7⅜
5DR Linked Dep. Bid	-	-	7⅝	7⅛	7⅜	7¼
ECU Linked Dep. Offer	-	-	9¾	9¾	9¾	9¾
ECU Linked Dep Bid	-	-	9¼	9¼	9¼	9¼

Treasury Bills (sell): one-month 10⅛ per cent; three months 9⅞ per cent; six months 9⅞ per cent. Bank Bills (sell): one-month 10¼ per cent. three months 9⅞ per cent. Treasury Bills: Average tender rate of discount 9.6979 o.c. ECGD Fixed Rate Sterling Export Finance: Make up day September 30, 1991. Agreed rates for period Oct.26 1991 to November 25, 1991. Scheme I: 11.70 p.c. Schemes II & III: 11.64 p.c. Reference rate for period August 31, 1991 to September 30, 1991. Scheme IV&V: 10.351 p.c. Local Authority and Finance Houses seven days' notice, others seven days' fixed. Finance Houses Base Rate 11 from September 1, 1991: Bank Deposit Rates for sums at seven days notice 4 per cent. Certificates of Tax Deposit (Series 6): Deposits £100,000 and over

LONDON STOCK EXCHANGE: Dealings

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated prices are in pence. The prices are those at which the business was done in the 24 hours up to 5 pm on Thursday and settled through the Stock Exchange Talleman system, they are not in order of execution but in ascending order which denotes the day's highest and lowest dealings.

For those securities in which no business was recorded in Thursday's Official List the latest recorded business in the four previous days is given with the relevant date.

Rule 535(2) and Third Market stocks are not regulated by the International Stock Exchange of the United Kingdom and the Republic of Ireland Ltd.

‡ Bargains at special prices. ♦ Bargains done the previous day.

British Funds, etc

No. of bargains included 1973

Exchequer 16½% Stk 2005 – £105⅝ (25Se91)
Guaranteed Export Finance Corp PLC 12⅞% Gtd Ln Stk 2002(Reg) – £116⅝
12⅞% Gtd Ln Stk 2002(Br£10000&100000) – £117¼ ⅞ (20Se91)

Corporation and County Stocks

No. of bargains included 6

Greater London Council 9¼% Stk 90/92 – £98¾ ¼
Birmingham Corp 2½% Stk 1926(*or after*) – £22 (20Se91)
Leeds(City of) 13½% Red Stk 2006 – £120 (25Se91)

UK Public Boards

No. of bargains included nil

Agricultural Mortgage Corp PLC 6¼% Deb Stk 92/94 – £90⅝ (24Se91)
7¼% Deb Stk 91/93 – £94¼ (25Se91)
10¼% Deb Stk 92/95 – £97¼ (23Se91)
Metropolitan Water Metropolitan Water 3% A Stk 63/2003 – £52 (23Se91)
Lambeth Water Works Co 3% Red Deb Stk – £49 (24Se91)
Southwark & Vauxhall Water Co 3% Deb Stk – £49 (24Se91)
Port of London Authority 3% Port of London A Stk 29/59 – £60 (25Se91)
Scottish Agric Sec Corp 16% Deb Stk 97/99 – £109¾ 16 (25Se91)

Foreign Stocks, Bonds, etc–(coupons payable in London)

No. of bargains included 77

Ireland(Republic of) 9¾% Stk 91/96 – £96 (25Se91)
Abbey National PLC 10¾% Bds 1996 (Br£5000&50000) – £99¼♦
Abbey National Treasury Servs PLC 16¾% CtdNts1994(Br$C1000,10000&100000) – $C102.65 (24Se91)
Alcoa of Australia Ld 11% Nts 1992 – $64.175 (24Se91)
ASDA Group PLC 4¾% Cnv Bds 2002(Br£1000&£5000) – £1⅝ (25Se91)
Associated Newspapers Holdings Ld 8% Exchangeable Bds 2002 – £92 (25Se91)
BAA PLC 11¾% Bds 2016 (Br £10000&100000) – £107¾ (23Se91)
BP Capital BV Zero Cpn Nts 1995 – $76¼ (25Se91)
Banque Nationale De Paris 16% Nts 1994 – £98¼ ¼
Barclays Bank PLC 12¾% Senior Subord Bds 1997(BrEVar) – £109¼
Barclays Overseas Inv Co BV 9% Gtd Bds 1996 (BrY1000000) – Y95 6 (20Se91)
Blue Circle Industries Capital Ld 16¾% Cnv Cap Bds 2005(Br£5000&100000) – £112 ¼
Boots Finance Ld 6% Cnv Cap Bds 2005 (Br) – £126 7
British Telecommunications PLC 9¾% Nts 1993 – £99¾ (20Se91)
Zero Cpn Bds 2000 – $44¼
Burmah Castrol Capital(Jersey) Ld 9¼% Cnv Cap Bds 2009(Reg) – £110¾
9¼% Cnv Cap Bds 2009(Br£5000&50000) – £107¾ ¼
Collateralised Mtg Secs (No10) PLC 11¼% Sec Bds 1996 (Br £ Var) – £103¾ 4
Costain Finance NV 7.5% GtdRed CnvPrf 2003 £1(Certs to Br) – 66¾ 9 (20Se91)
Daily Mail & General Trust PLC 8¾% Exch Bds 2005 (Br£10000&5000) – £180¼
ECC Group PLC 6¾% Cnv Bds 2003 – £96¼ (24Se91)
EE Finance PLC 8¾% Gtd Exch Bds 2006 (Reg £5000) – £180 ½
8¾% Gtd Exch Bds 2006(Br£5000&100000) – £97½ (24Se91)
Finland(Republic of) 16¾% Bds 2006 – £97¾ (24Se91)
Finnish Export Credit Ld 16% Nts 1991 – £100¼ (24Se91)
Fisher (Albert) Finance N.V. 6¾% Gtd Red Cnv Prf 2004 – £112½ (24Se91)
Fuji Bank Ld 1¼% Cnv Bds 2002 – $94 (20Se91)
General Electric Capital Corp 10% Nts 1996(Br $C Var) – $C102♦ ⅝♦
Girozentrale Und Bank Der Ost Spark 12¾% Subord Bds 1993 – £102 (24Se91)
Grand Metropolitan PLC 6¾% Subord Cnv Bds 2002 (Br£5000) – £123♦
Guaranteed Export Finance Corp PLC 10⅝% Gtd Bds 2001 (Br£Var) – £102¼♦ 3¼♦
Halifax Building Society 10½% Nts 1997 – £99¾
Hammerson Property Inv & Dev Corp 10¾% Bds 2013 (Br£10000&100000) – £94¾ ¼ (20Se91)
Hanson PLC 9¾% Cnv Subord 2006 (Br £Var) – £102¾ ¼ 3
Hickson Capital Ld 7% Cnv Cap Bds 2004 (Reg) – 109¾ (25Se91)
7% Cnv Cap Bds 2004 (Br£1000&10000) – £107¾ (25Se91)
Hydro-Quebec 10¾% Deb, Sra HU 80/2001 (Br $C Var) – $C102¾ (25Se91)
11.25% Debs Sers HY 17/4/2001 (Br £Var) – £106¼ (24Se91)
IBM Credit Corporation 9½% Nts 1992 – $191.43 .48
Imperial Chemical Industries PLC 9⅞% Bds 2005 – £92¾ (24Se91)
Inter-American Development Bank 11¾% Bds 1995(Br £5000) – £103¾
International Bank for Rec & Dev 9¼% Bds 2007 (Br£5000) – £92¾
10% Bds 1989 – £180¼ (24Se91)
Italy(Republic of) 8¾% Nts 2001(Br$5000&50000) – $102¾ .77 (20Se91)
Kobe (City of) 6¾% Gtd Bds 1998 – £103¼ 4 (23Se91)
Ladbroke Group PLC 5¾% Subord Cnv Bds 2004(Br£10000&5000) – £119¼ 1¼ 2 (25Se91)
Ladbroke Group Finance(Jersey) Ld 9% Cnv Cap Bds 2005 (Br £1000,10000) – £95 ¼
Land Securities PLC 6½% Bds 2007 – £87¼ (24Se91)
9¾% Cnv Bds 2004 (Br£5000&50000) – £97 ¼ (23Se91)
Lasmo PLC 7¾% Cnv Bds 2005 – £78¾ (24Se91)
Leeds Permanent Building Society 10¾% Subord Bds 1998 (Br£5000) – £97¾ 6
11½% Nts 1996 (Br £5000&100000) – £109 (25Se91)
Lloyds Bank PLC 16¼% Subord Bds 1998(Br£10000) – £97¾
11¾% Subord Serial Nts 1998(Br£10000) – £100¼ (25Se91)
MEPC PLC 12% Bds 2006 (Br £10000 & 100000) – £104¼ 6
Marks & Spencer Finance PLC 9¾% Gtd Nts 1998 – £104.33541 (25Se91)
National Westminster Bank PLC 11¾% Subord Nts 2001 (Br £Var) – £105⅞ (24Se91)
Nationwide Anglia Building Society 11½% Nts 1995 (Br £5000&100000) – £101¼
New South Wales Treasury Corp 15¾% Gtd Bds 1992(Br£5000) – £99⅞
ZeroCoGtd02020(Br$A10000,100000& 1000000) – $A4.85
Nomura Bank International PLC 7¼% Gtd Subord Bds 1992 – $100¼ .56
Northern Rock Building Society 11¼% Subord Bds *2000 (Br£5000)* – £99 ¼ (23Se91)
Oesterreichische Kontrollbank AG 12% Gtd Nts 1992 – £100¾ (24Se91)
Prudential Finance BV 9¾% Gtd Bds 2007 (Br£5000&100000) – £90¾ (20Se91)
RMC Capital Ld 8¾% Cnv Cap Bds 2006 (Br £5000&50000) – £96¼ (23Se91)
Rathers Group PLC 4% Cnv Bds 2002 (Br£5000) – £120
Redland Capital PLC 7¼% Cnv Bds 2002 – £105¼♦
Royal Bank of Scotland PLC 10⅞% Subord Bds 1998 (Br£5000&25000) – £98¾ 9¾
Sainsbury(J) PLC 8¾% Bds 1996 (Br $5000&100000) – £119¾ 118¾
Security Pacific Finance NV 12% Gtd Nts 1992 – $101¼ (24Se91)
Severn Trent PLC 11½% Bds 1995 (Br £5000&100000) – £104¾ ¼ (20Se91)
Slough Estates PLC 6% Cnv Bds 2003 – £110 (20Se91)
Smith & Nephew Associated Cos PLC 5¾% Cnv Bds 2000 – $1.3 (23Se91)
Smith & Nephew Finance N.V. 8¾% Gtd Red Cnv Prf 2004 (Br) – £112¾
State Electricity Comm of Victoria Zero Cpn Gtd C Nts 2011 (Br $A Var) – $A12¾
Sweden(Kingdom of) 9¾% Bds 1997 – £98¼ 9 (24Se91)
11¼% Bds 1995(Br £5000) – £102¾ 3¼ (23Se91)
6¼% Nts 1992 (Br$5000&50000) – $101¾ (23Se91)
Tarmac Finance (Jersey) Ld 9¾% Cnv Cap Bds 2008 (Reg £1000) – £95¾
9¾% Cnv Cap Bds 2008(Br £5000&50000) – £95¼ (24Se91)
Tate & Lyle Int Fin PLC 5¾% Gtd Bds 2001 (Br £5000) – £79¾ (24Se91)
TateLyle IntFin PLC/TateLyle PLC 5¾% T&LNFnGtdBds 2001(Br) W/WnT&LPLC – £80 ¼ (23Se91)
Taylor Woodrow PLC 11½% Nts 1993 – £101¼ (24Se91)
Tesco Capital Ld 9% Cnv Cap Bds 2005(Reg) – £116 ¼ ½ 9 ½
9% Cnv Cap Bds 2005(Br£5000&10000) – £116¼♦
Thames Water PLC 9¾% CnvSubordBds 2008(Br£5000&50000) – £103¼ 4
THORN EMI Capital NV 6¾% Gtd Red Cnv Prf 2004 (Br£5000) – £117¼ ¾ (25Se91)
Tokyo Electric Power Co Inc 10½% Nts 2001(Br$C1000,10000&100000) – $C103¼♦ ¼♦
11% Nts 2001 (Br £1000,10000 & 100000) – £104¼♦ ¼♦
Trafalgar House PLC 10¾% Bds 2008 – £92¼ ¼ (23Se91)
United Biscuits Finance NV 5¾% Gtd Red Cnv Prf 2003 – £125 (24Se91)
United Kingdom 9¾% Bds 2001(Br ECU1000,10000&100000) – EC191.88
United Newspapers Capital Ld 8% Gtd Exch Prf Shs – £113¾ 113¾ (24Se91)
Wallcome PLC 6¾% Bds 2006 – £90¾ (24Se91)
Woolwich Building Society 11% Nts 1998 – £101¾

Sterling Issues by Overseas Borrowers

No. of bargains included 28

Asian Development Bank 16¾% Ln Stk 2009(Reg) – £191¾
Australia(Commonwealth of) 11¼% Ln Stk 2015(Reg) – £104
Bank of Greece 10¾% Ln Stk 2010(Reg) – £91¼ ½ (25Se91)
Caisse Centrale De Cooperation Econ 19¾% Gtd Ln Stk 2013(Reg) – £119¾ ⅛ (26Se91)
Caisse Nationale Des Autoroutes 16% Gtd Ln Stk 2005 – £143¼ (23Se91)
Credit Foncier De France 10¼%GtdSerLnStk2011,12.13.14(Reg) – £101¾ ⅝
14¼% Gtd Ln Stk 2007(Reg) – £134¾
Denmark(Kingdom of) 13% Ln Stk 2006 – £115¾ (26Se91)
Electricite de France 12½% Gtd Ln Stk 2009(Reg) – £119¾ (25Se91)
12¾% Gtd Ln Stk 2006(Br £5000) – £120½ (20Se91)
11½% Gtd Ser Ln Stk 2009/12(Reg) – £114¾ ⅝ (25Se91)
European Investment Bank 9% Ln Stk 2001 (Reg) – £93⅝ ¼
9¼% Ln Stk 2009 – £96⅞
10¼% Ln Stk 2004(Reg) – £102
11% Ln Stk 2002(Reg) – £106 ¼
Gibraltar (Government of) 11½% Ln Stk 2005 (Reg) – £106¾ (24Se91)
Hydro-Quebec 15% Ln Stk 2011 – £133 (24Se91)
Inter-American Development Bank 9¾% Ln Stk 2015 – £96¾♦
International Bank for Rec & Dev 6¼% Ln Stk 2010(Reg) – £98
6¼% Ln Stk 2010(Br£5000) – £98¼ (25Se91)
11.5% Ln Stk 2003 – £109¾ (25Se91)
Malaysia 10¾% Ln Stk 2009(Reg) – £97 (20Se91)
New Zealand 7¾% Stk 88/92 – £97
11¼% Stk 2008(Reg) – £105¾
11¼% Stk 2008(Br £5000) – £106¾ (20Se91)
Nova Scotia(Province of) 11¼% Ln Stk 2019 – £107¾ (24Se91)
16¼% Ln Stk 2011 – £145¾ (24Se91)
Petroleos Mexicanos 14½% Ln Stk 2006 – $107 (25Se91)
Portugal(Rep of) 9% Ln Stk 2016(Reg) – £86¼ (25Se91)
Spain(Kingdom of) 11¼% Ln Stk 2010(Reg) – £111¾ ¾ ½ ¾ (25Se91)
Sweden(Kingdom of) 9¾% Ln Stk 2014(Reg) – £95¾ ½ (25Se91)
11% Ln Stk 2012(Br) – £107¾ (20Se91)
13.5% Ln Stk 2010(Reg) – £125¾
United Mexican States 16¾% Ln Stk 2006(Reg) – £124¾ (23Se91)

Banks and Discount Companies

No. of bargains included 1885

ABN–AMRO Hldgs N.V. Ord FL5 – FL38.95 9 .01 .011779 .1 ¾
Bank of Wales PLC 13¾% Subord Uns Ln Stk 96/97 – £109 (23Se91)
Barclays PLC Adrdn (4:1) – $31¾
Barclays Bank PLC 6¾% Uns Cap Ln Stk 98/03 – £94¾ 6
12% Uns Cap Ln Stk 2016 – £109¾♦
16% Uns Cap Ln Stk 2002/07 – £131¼
Barings PLC 6% Cum 2nd Prf £1 – 90
Commerzbank AG Cdn(ise Warburg) DM16 – DM46.4♦
Co-Operative Bank PLC 9.25% Non-Cum Ind Prf £1 – 93 ¼ ¼ (20Se91)
First Chicago Corp Com Stk $5 – $27¼ (20Se91)
HSBC Hldgs PLC Ord $H16 – $H2.2 2.22 2.23 2.23 2.24 2.2425 $H30¾
Shs of Com Stk Y50 – Y1191.16 4.38 (25Se91)
Lombard North Central PLC 8% Com 1st Prf £1 – 55 (24Se91)
Midland Bank PLC 10¾% Subord Uns Ln Stk 93/98 – £99
14% Subord Uns Ln Stk 2002/07 – £114¾ 5
Mitsubishi Trust & Banking Corp Shs of Com Stk Y50 – Y1625.53 30.92 40
National Westminster Bank PLC 7% Cum Prf £1 – 58¾
6% Subord Uns Ln Stk 1993 – £95¾
12¼% Subord Uns Ln Stk 2004 – £111¾
Royal Bank of Scotland Group PLC 11% Cum Prf £1 – 93 (25Se91)
Schroders PLC 6¾% Uns Ln Stk 97/2002 – £83 (24Se91)
Standard Chartered PLC 12¾% Subord Uns Ln Stk 2002/07 – £95¾ ½ 6
TSB Group PLC 10¾% Subord Ln Stk 2006 – £97 6¾ ½ ½ ¾.
TSB Hill Samuel Bank Holding Co PLC 6% Uns Ln Stk 88/94 – £93 (24Se91)
Warburg (S.G.) Group PLC Cnv Dfd 25p – £80
7¾% Cum Prf £1 – 68¾‡ ⅝‡
(24Se91)
Wintrust PLC 10¾% Cum Prf £1 – 100¾‡ ⅝‡ (24Se91)

Breweries and Distilleries

No. of bargains included 778

Allied–Lyons PLC Ord £1 (1:1) – £10.85
6¾% Cum Prf £1 – 65 (23Se91)
7¾% Cum Prf £1 – 71 (23Se91)
6¼% Red Deb Stk 87/92 – £94¾ (20Se91)
6¾% Red Deb Stk 88/93 – £90¾ (24Se91)
6¾% Red Deb Stk 89/94 – £91¾ (24Se91)
11¼% Deb Stk 2009 – £111¾ (24Se91)
6¼% Uns Ln Stk – £80
7¼% Uns Ln Stk 93/98 – £85
Bass PLC 4% Cum Prf £1 – 34 (23Se91)
7% Cum Prf £1 – 58 (23Se91)
6¾% Deb Stk 87/92 – £93¼
6¾% Deb Stk 87/92 – £97½
10¾% Deb Stk 2016 – £99¼♦ 100¾♦
4¾% Uns Ln Stk 92/97 – £71 (20Se91)
7¼% Uns Ln Stk 92/97 – £87
Boddington Group PLC 9¾% Cnv Uns Ln Stk 2000/05 – £158¼ (23Se91)
Bulmer(H.P.)Hldgs PLC 8¾% 2nd Cum Prf £1 – 95¾ (23Se91)
Cleveland Place Holdings PLC 4¾% Irred Deb Stk – £37 (20Se91)
6% Red Deb Stk 89/94 – £91 (23Se91)
7% Red Deb Stk 89/93 – £93 (23Se91)
7¾% Red Deb Stk 87/92 – £95¾
10½% Red Deb Stk 90/95 – £99 (24Se91)
12¾% Red Deb Stk 2008 – £114¾ (24Se91)
Fuller,Smith & Turner PLC 8% 2nd Cum Prf £1 – 78 (25Se91)
Greenalls Group PLC "A" Ord 5p – 150 (24Se91)
8% Cum Prf £1 – 75 84 6 ⅝‡ ⅝‡ (24Se91)
11¼% Deb Stk 2014 – £108¾♦
7% Irred Uns Ln Stk – £39 (24Se91)
Guinness PLC ADR (5:1) – $89.26 (25Se91)
Hardys & Hansons PLC Ord 25p – £11.3 (25Se91)
Heavitree Brewery PLC 11½% Cum Prf £1 – 180 (23Se91)
Mansfield Brewery PLC Ord £1 – 490 (25Se91)
Scottish & Newcastle PLC 7% Cnv Cum Prf £1 – 179 (23Se91)
7.6% 1st Mtg Deb Stk 89/94 – £94¼ (20Se91)
Threakes(Daniel) PLC 5% 1st Cum Prf £10 – 400♦
Vaux Group PLC 9.875% Deb Stk 2016 – £93¼ ¼ (24Se91)

10.75% Deb Stk 2019 – £101
11¼% Deb Stk 2010 – £150¾ ¾ (24Se91)
Whitbread PLC 7% *3rd Cum Prf Stk £1* – 63
7% Red Deb Stk 88/93 – £93¼ (20Se91)
7¼% Uns Ln Stk 95/99 – £85¼ (25Se91)
10¼% Uns Ln Stk 2000/05 – £98¼ (20Se91)
Young & Co's Brewery PLC 9% Cum Prf £1 – 82 (23Se91)

Building Societies

No. of bargains included nil

Leeds Permanent Building Society 13¼% *Perm Int Bearing £50000* – £107 (20Se91)

Commercial, Industrial, etc

No. of bargains included 16451

AAH Hldgs PLC 4.2% Cum Prf £1 – 45 (23Se91)
ADT Ld Com Shs $0.16 – 452 5 5 9.77 50 6 7 8 70 6 6 7 80‡ 5 93
ADR (1:1) – $8.04 .124729 .16 .199727 .779707 .829706
AECI Ld 5¾% Cum Prf R2 – 80 (20Se91)
AMEC PLC 15% Uns Ln Stk 1992 – £100
APi Group PLC 3.85% Cum Prf £1 – 50 (25Se91)
Aegis Group PLC 58% Cnv Cum Red Prf 1998 10p – 80 (20Se91)
Aerlinte Eireann Teoranta 16¾% Stg Deb Stk 91/96 – £97 ¼
Airsdale Hldgs PLC 7.5p (Net) 1st Red Prf 50p – 6¾
Airtours PLC Warrants to sub for Ord – 460
Albert Fisher Group PLC Warrants To Sub For Ord – 1¼
ADR (10:1) – $18¼ (23Se91)
Alcan Aluminium Ld Com Shs of NPV – $19.55♦
Alexon Group PLC 8.25p (Net) Cnv Cum Red Prf 10p – 147♦ 8♦ .07♦
Alpine Group PLC Ord 5p – 16 (24Se91)
Wts to Sub for Ord – 4 (23Se91)
American Brands Inc Shs of Com Stk $3.125 – £26.78 (25Se91)
Ash Capital Finance(Jersey)Ld 6¼% Cnv Cap Bds 2005 (Reg Units 100p) – £86¼ 6¼% Cnv Cap Bds 2006 (Br £Var) – £83¼ (25Se91)
Associated British Foods PLC 8¾% Uns Ln Stk 87/2002 50p – 61 (24Se91)
7¼% Uns Ln Stk 87/2002 50p – 40 1¼ (23Se91)
Atlas Copco AB A Shs SK25 – SK268 ¼ 9 (25Se91)
Attwoods PLC ADR (5:1) – $16.73 ¼
Attwoods (Finance) NV 8¼p Gtd Red Cnv Prf 5p – 120
Austin Reed Group PLC Ord 25p – 390
Automated Security(Hldgs) PLC 5% Cnv Cum Red Prf £1 – 63
6% Cnv Cum Red Prf £1 – 72 6
Automotive Products PLC 9% Cum Prf £1 – 84¼‡ ⅝‡ (24Se91)
Avdel PLC 10¾% Uns Ln Stk 96/98 – £92 (20Se91)
Ayrshire Metal Products PLC Ord 25p – 86 ¼ (20Se91)
B.A.T Industries PLC ADR (1:1) – $11.43 .437116 ⅝ .44 .45
BET PLC ADR (4:1) – $14.749506 (24Se91)
BICC PLC 5½% 2nd Cum Prf Stk £1 – 47 (24Se91)
7¾% Deb Stk 90/95 – £92¼ (24Se91)
BM Group PLC 4.5p (Net) Cnv Cum Red Prf 20p – 160 4
BOC Group PLC ADR (1:1) – $10.245
19¼% Uns Ln Stk 2012/17 – £111 ⅝
BS Group PLC Ord Stk 5p – 09 (25Se91)
B.S.G.International PLC 12¼% Uns Ln Stk 93/98 – £80 (25Se91)
BTP PLC 7.5p(Net) Cnv Cum Red Prf 10p – 151
BTR PLC ADR (4:1) – $28.4 9¾ (20Se91)
Barlo Group PLC Ord Ir£0.16 – Ir£0.39
Barratt Developments PLC 6¾% Uns Ln Stk 92/97 – £53 (20Se91)
Beazer PLC 8.67% Cum Red Prf £1 – 91½ 2 ¼ ¼
Bellway PLC 9.5% Cum Red Prf 2014 £1 – 95¼‡ ⅝‡ (24Se91)
Bennet & Fountain Group PLC Warrants to sub for Ord – 3¾ (24Se91)
Blackwood Hodge PLC 8% Cum Red Prf £1 – 39¾
Blue Circle Home Products PLC 7¼% Uns Ln Stk 87/92 – £95
Blue Circle Industries PLC 5¾% 2nd Deb Stk 1984/2009 – £80
6¾% Uns Ln Stk(1975 or alt) – £56 (23Se91)
Booker PLC ADR (4:1) – $32¾ (24Se91)
Boot(Henry) & Sons PLC Cum Prf (5.25%) £1 – 52 (24Se91)
Boots Co PLC ADR (2:1) – $14.92
7¾% Uns Ln Stk 88/93 – £90♦
Braime(T.F.&J.H.)Hldgs) PLC "A" Non.V Ord 25p – 125♦
Braithwaite PLC Cnv Prf 50p – 80 (25Se91)
Brent Chemicals International PLC 9% Cum Red Prf £1 – 06 (24Se91)
Bridon PLC 6% Cum Prf 50p – 26
7% Pfd Ord(Non-Cum)50p – 32 (25Se91)
6¾% Uns Ln Stk 2002/07 – £83 (25Se91)
British Airways PLC ADR (10:1) – $31¼ .28 ¼
British Alcan Aluminium PLC 10½% Deb Stk 89/94 – £180 (23Se91)
British–American Tobacco Co Ld 6% Cum Prf Stk £1 – 43 (23Se91)
6% 2nd Cum Prf Stk £1 – 50
British Fittings Group PLC 5.5% Cnv Red Prf £1 – 70 80 (25Se91)
British Mohair Hldgs PLC 6% Red Cum Prf(1995)£1 – 81 (25Se91)
British Shoe Corp Hldgs PLC 6½% Cum 3rd Prf £1 – 63 4 (25Se91)
British Steel PLC Ord 50p – 130 .434 ½ ½ .834 1 1 .052 .065 ¼ .5875 2 2 .433 ½ ¼ 3 6 .066 ½ ¼ 4
ADR (10:1) – $22¼♦ .52♦ .824240♦ .874238♦ 3.248225♦
11¼% Deb Stk 2016 – £109¾ ¼ ⅝
British Sugar PLC 16¾% Red Deb Stk 2013 – £191¾ 2
Brown & Jackson PLC 10.75% Cnv Cum Prf £1 – 26 8 80
Bunzl(A.F.) & Co PLC Ord Stk 5p – 42 (25Se91)
Bullers PLC 6% Cum Prf £1 – 4 (24Se97)
Bund PLC 7% Cnv Uns Ln Stk 95/97 – £70 9 (25Se91)
Burndene Investments PLC 15% Uns Ln Stk 2007/12 – £103
Burton Group PLC 8% Cnv Uns Ln Stk 1998/2001 – £96
Butte Ld 6% 2nd Mtg Deb Stk 92/97 – £86¼ (23Se91)
CRT Group PLC Ord 10p – 115 6 8‡
Caffyns PLC 6¾% Cum 1st Prf £1 – 41¼♦
16% Cum Prf £1 – 07 (23Se91)
Caird Group PLC 7p Cum Cnv Red Prf 2009 10p – 85¾
Calsabread,Robey & Co PLC Ord 10p – 70 (23Se91)
Camborne Industries PLC 10¾% Sec Red Cnv Deb 2001(Units£1000) – £98 6 (24Se91)
Canning(W.) PLC 7¼% Uns Ln Stk 86/93 – £86 (23Se91)
Caparo Industries PLC Ord 1p – 61
Cardo Engineering Group PLC 10¾% Cum Red Prf £1 – 60 (23Se91)
Carlton Communications PLC ADR (2:1) – $17¾
Caterpillar Inc Shs of Com Stk $1 – $45¾ (24Se91)
Channel Tunnel Investments PLC 5p – 42
Claremont Garments(Holdings) PLC Ord 10p – 182 4½‡ 6
Clayhithe PLC Ord 10p – 40
9.5% Subord Cnv Uns Ln Stk 2000/01 – £77
Clyde Blowers PLC Ord 25p – 235 (20Se91)
Costa Patona PLC 4½% Uns Ln Stk 2002/07 – £50 (23Se91)
6¼% Uns Ln Stk 2002/07 – £54 (25Se91)
7¼% Uns Ln Stk 90/95 – £85 6 9 (23Se91)
Costa Wyale PLC 4.9% Cum Prf £1 – 62 (24Se91)
Colorvision PLC Ord 5p – 125 (20Se91)
Cooper (Frederick) PLC 5.5p (Net) Cnv Red Cum Prg Prf 10p – 66 70 1
Courtaulds PLC ADR (1:1) – $8 (24Se91)
7¾% Deb Stk 89/94 – £93¼ (25Se91)
5¾% Uns Ln Stk 94/96 – £82 (24Se91)
7¼% Uns Ln Stk 94/96 – £94
7¼% Uns Ln Stk 2000/05 – £81 (25Se91)
Courtaulds Clothing Brands Ld 7¼% Cum Prf Stk £1 – 66 (24Se91)
Courtney,Pope(Hldgs) PLC 6% Cum Prf 50p – 5 (20Se91)
Coursa(Furnishers) PLC 5.9% (Net) Cum Prf £1 – 50 (24Se91)
Croda International PLC 6.6% Cum Prf £1 – 80
Dairy Farm International Hldgs Ld Ord $0.025(Hong Kong Register) – $H9.620875♦
Debenhams PLC 7¼% Uns Ln Stk 2002/07 – £92♦
7¾% Uns Ln Stk 2002/07 – £80 (24Se91)
Dewhurst PLC Ord 10p – 53 (25Se91)
Dowry Group PLC 7% Cnv Cum Red Prf £1 – 84 4
E–Systems Inc Com Shs $1 – $35¾ (25Se91)
ECC Group PLC ADR (3:1) – $24¾ (23Se91)
EIS Group PLC 5% Cum Prf Stk £1 – 44¾ (25Se91)
EMC Group PLC Ord 5p – 77 ¾‡ 8‡
Ericsson(L.M.)(Telefonaktiebolaget)Ser B(Reg)SK16 – SK8.7 25¾ SK161¼ ½ 2 ¼ ⅝ ¾ 3 3 .1 ½ ¼ 4 4 5
Euro Disney S.C.A. Shs FR10 (Depositary Receipts) – £13.7 13¾ 13¼ 13.8 13.65 13.67 13.66 13.9 13.9 14
Shs FR16 (Br) – £13.62 FR136 .85 .3 .3 ½ ¼ .85 7½ ¼

Eurocamp PLC Ord 5p – 270 70 2 6 5 60 2 3 4 6 7 6 90 1 2 6 3 4 5 5 5 7 6 8‡ 300 2
European Leisure PLC 8.75p (Net) Cnv Cum Red Prf 25p – £0.3 p 28 (24Se91)
Eurotunnel PLC/Eurotunnel SA Units (1 EPLC Ord 40p & 1 ESA FR10) (Br) – FR63½ 53.6
Units (Sicovam Inscribed) – FR52.95 8 .05 .25 .88 .4 .44 .45 ½ .86 .56 .595 .8 .63 .7 ¼ .8 .9 .94 .95 .97
Warrants (Sicovam Inscribed) – FR401.38 2.6
Fndr Wts(1EPLC & 1ESA WrtsSub 16 Units) – £40 40¾
Fndr Wts (Sicovam Inscribed) – FR404 406
Evered Bardon PLC 7.25p (Net) Cnv Red Prf 25p – 90.954 1 3¾
11.25p Cum Red Prf 2005 10p – 98¾ 5
Ex-Lands PLC Warrants to sub for Shs – 21 (24Se91)
Excalibur Group PLC 11.5% Cum Prf £1 – 60
FII Group PLC 7.7% Cnv Cum Red Prf 95/99 £1 – 155 68
Finlan Group PLC Ord 1p – 2¾ (24Se91)
Fisons PLC ADR (4:1) – $31.42 ½ .54
5¾% Uns Ln Stk 2004/09 – £82 (24Se91)
Fluor Corp Com $0.625 – $41.905
Follows Group PLC Ord 5p – 53
Forte PLC 7.25% 1st Mtg Deb Stk 88/91 – £98
10.5% Mtg Deb Stk 91/96 – £96¾
9.1% Uns Ln Stk 96/2000 – £96¾ (24Se91)
Fortnum & Mason PLC Ord Stk £1 – £46 (25Se91)
Friendly Hotels PLC 4¾% Cnv Cum Red Prf £1 – 180 (24Se91)
7% Cnv Cum Red Prf £1 – 160 (23Se91)
GKN (United Kingdom) PLC 10¾% Gtd Deb Stk 90/95 – £98¾
10¾% Gtd Deb Stk 92/97 – £101¾ (23Se91)
General Electric Co PLC ADR (1:1) – $8.2
7¾% Uns Ln Stk 87/92 – £92
7¼% Uns Ln Stk 88/93 – £94
Gestetner Hldgs PLC Ord Cap 25p – 200 (20Se91)
16% Uns Ln Stk 90/95 – £91 (25Se91)
Glaxo Group Ld 6¾% Uns Ln Stk 85/05 00p – 43
7¾% Uns Ln Stk 85/95 00p – 43 4
Glynwed International PLC 7¾% Deb Stk 89/94 – £96
10¾% Uns Ln Stk 94/99 – £97¾
Goode Durrant PLC 3.5% Cum Prf 50p – 16 (23Se91)
Goodwin PLC Ord 10p – 45 (24Se91)
Grace (W.R.) & Co Com Stk $1 – $36¼♦ .975♦ 7♦ .1♦
Grand Metropolitan PLC 5% Cum Prf £1 – 40
6¾% Cum Prf £1 – 60 (23Se91)
Great Universal Stores PLC 5¾% Red Uns Ln Stk – £50♦
6¾% Uns Ln Stk 88/98 – £89¼ ¼ (25Se91)
Greenalls PLC Ord Ir£1.00 – Ir£2.36 2.38 p 217 6 ¾‡
Greenwich Resources PLC Ord 5p – 17
Halstead(James) Group PLC 5¾% Cum Prf £1 – 43 4½ (24Se91)
Hasbro Inc Shs of Com Stk $0.50 – $26.5273 (25Se91)
Hawker Siddeley Group PLC 5½% Cum Prf £1 – 59 (24Se91)
7¾% Deb Stk 87/92 – £94 5¾ (23Se91)
Hepworth Capital Finance Ld 11.25% Cnv Cap Bds 2005 (Reg) – 141 2 2
Hickson International PLC 6¾% Uns Ln Stk 89/94 – £80 (25Se91)
Honda Motor Co Ld Shs of Com Stk Y50 – Y1568.069117 70 3.3 .5
Hong Kong Land Hldgs Ld Ord $0.16 (Hong Kong Reg) – $HL7.98583
Wts to Sub For Ord (Hong Kong Register) – $H11.11384 (24Se91)
House of Fraser PLC 8¾% Uns Ln Stk 93/98 – £95¼ 6 (25Se91)
Hunterprint Group PLC Ord 5p – 20 ½ 9
Iceland Frozen Foods Hldgs PLC Cnv Cum Red Prf 20p – 117 6 9
Jackson(William) & Son PLC 7¾% Cum Prf £1 – 80 (23Se91)
Jardine Matheson Hldgs Ld Ord $0.25 (Hong Kong Register) – £22¼ $H33.352 .858825
Johnson & Firth Brown PLC 11.06% Cum Prf £1 – 107%‡ (24Se91)
11% Uns Ln Stk 93/98 – £91 (23Se91)
Johnson Group Cleaners PLC 7.5p (Net) Cnv Cum Red Prf 10p – 123 7
Johnson,Matthey PLC 6% Cum Prf £1 – 40 (24Se91)
8% Cnv Cum Prf £1 – 500 30 (24Se91)
8¾% Mtg Deb Stk 85/95 – £92 (20Se91)
Kalma Corp Shs of Com Stk Y50 – Y1475.186 65.1 90 90 800 1.726 15.86 8.84 22 5.226
Kelsey Industries PLC 11¾% Cum Prf £1 – 100 11¾‡ ¾‡ (24Se91)
Kenning Motor Group PLC 5½% Cum Prf £1 – 40
Kvaerner A.S.B Shs NK12.50 – NK221 2 8 6 (25Se91)
Kympene Corporation Shs FM20 (Unrestricted) – FM60 .32 .6
Kynoch(G.& C.) PLC 7¾% Red Cum Prf £1 – 35 (23Se91)
Ladbroke Group PLC ADR (1:1) – $4.42 (25Se91)
9% Gtd Uns Ln Stk 90/92 – £97 (20Se91)
Ladbroke Hotels Ld 10½% 1st Mtg Deb Stk 94/99 – £102¾ ¾ (20Se91)
Laporte PLC 8% Deb Stk 93/98 – £88 (20Se91)
16¼% Deb Stk 94/99 – £97½ (25Se91)
Lewis(John)Partnership PLC 5% Cum Prf Stk £1 – 46 (24Se91)
7¼% Cum Prf Stk £1 – 68 (24Se91)
Lilly (Eli) & Co Shs of Com Stk NPV – $61.1♦ .1208♦
Lionheart PLC Cnv Cum Red Prf 20p – 87 (23Se91)
Lister & Co PLC 4% Deb Stk Red – £34 (20Se91)
Lockwood Corporation Shs of Com Stk $1 – $38.846 (25Se91)
London International Group PLC ADR (3:1) – $24.2
Lonrho PLC ADR (1:1) – $4.18 .27 .3
7¾% 1st Mtg Deb Stk 86/91 – £98
16¼% 1st Mtg Deb Stk 97/2002 – £95¾ 7 7 ¼ (25Se91)
Lookers PLC 6% Cnv Cum Red Prf £1 – 76 (23Se91)
Low(Wm) & Co PLC 8.75% Cum Cnv Red Prf £1 – 143 ½
Lucas Industries PLC 10¼% Uns Ln Stk 92/97 – £98¾ (23Se91)
MMI PLC Wts to Sub for Ord – 7
McCarthy & Stone PLC 8.75% Cum Red Prf 2003 £1 – 58
7% Cnv Uns Ln Stk 99/04 – £50 (24Se91)
Manchester United PLC Ord 10p – 283 9
Manganese Bronze Hldgs

LONDON STOCK EXCHANGE

Erratic trading as the account closes

By Terry Byland, UK Stock Market Editor

STOCK INDEX futures called the tune in the UK stock market yesterday, as several leading securities houses struggled to balance commitments ahead of the expiry on Monday morning of the September futures contract on the FT-SE Index. With Monday also marking the end of the third quarter of the year and last night bringing ths close of the two week trading account, yesterday's session brought highly erratic movements in share prices. The final minutes of trading saw the FT-SE Index settle down to close just one point short of the 2,600 mark which has proved such an elusive target over the past month.

Although the big London-based securities houses have now reduced their heavy exposure in futures built up during the abortive Soviet coup, they were still rushing to tidy positions yesterday. At mid-morning, basket trades of blue chip stocks were sold and September futures contracts bought.

Account Dealing Dates

*First Dealings: Sep 16	Sep 30	Oct 14
Option Declarations: Sep 26	Oct 16	Oct 24
Last Dealings: Sep 27	Oct 11	Oct 25
Account Day: Oct 7	Oct 21	Nov 4

*New-time dealings may take place from 8.30 am two business days earlier.

At the low point, the FT-SE Index was down by nearly seven points. As the selling died eway, the Footsie rebounded to show a net gain of ten points before reacting sharply again to close with the FT-SE Index finally a net 3.4 up at 2,599.0. Seaq turnover increased to 568.6m shares.

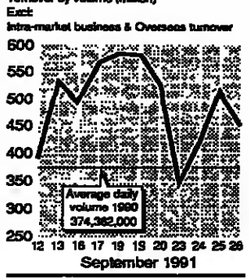
Over the week, UK equities have shed a trifling 1.3 points on the Footsie scale as the big investment institutions have backed away from equities in the face of poor company reports, which have displayed the effects of the economic recession on profits. The two wesk trading account saw a drop of 26.8 Footsie points.

Futures-related and similar technical factors tended to swamp deeper considerations yesterday. On tha UK political front, the latest opinion polls showed a lead for the Labour opposition party, but further polls will be pnblished this weekend. Excitement was spurred by tha announcement that President Bush planned an important announcement on defence strategy but London took fts cue from a calm opening on Wall Street which was just 4.25 ahead in UK hours.

Corporate developments continued to unsettle the market. The institutions are grappling with two large rights issues, £432m from British Aerospace and £380m from Hillsdown, with share prices in both cases uncomfortably close to the price of the new rights shares. There was e further fall in Asda, the food supermarket group, as a leading institution cut its stake to below declarehle levels; the market still fears a rights issue from Asda. Last night, traders were resigned to facing another difficult trading session on Monday as futures contracts finally expire.

● Retail volume has fallen away sharply this week as domestic electoral uncertainty unsettles the close of trading for the third quarter.

London SE volume



Spotlight stays on Asda

The "on/off big rights issue/takeover bid" stories surrounding Asda, the troubled food retailing group, continued to promote heavy two-way activity in the shares, which dropped to an all time low of 53p at one point yesterday.

Suggestions of e £300m plus rights issue at 45p a share have been circulating since the group announced disastrous interim figures, a week and a half ago. A counter to these stories have been hints that a bid was being lined up for Asda, although Tengelmann, the German group, vigorously denied any such intention earlier this week.

The stock price initially came under heavy selling pressure yesterday, dipping to the 53p level, but then staging a determined rally to end the session a net 6¼ off at 55p. Turnover was 11m, bringing the weekly total of shares traded up to 75.6m. During the previous week turnover topped 200m shares.

Much of the early weakness was said to have been caused by speculators who had been looking for a bid, baling out of the shares. And there were suggestions that recent heavy support for the shares from one US investment house had run its course.

Mowlem wanted

Shares in John Mowlem, the construction group, rose sharply, closing 11 higher at 223p, after long-waited news of official permission for the runway extension to the London City Airport. Mowlem has s 90 per cent stake in the airport.

An extension to the runway is seen as essential to stemming losses at the airport. It would enable the airport to accommodate the British Aerospace 146 jet aircraft, and increase the range of destinations offered to its passengers. At present London City has only been able to accommodate Dash 7 turbo-prop aircraft which have a more limited range.

Mowlem shares hit a five-year low of 215p earlier this week but began to rally on Wednesday.

Much of the action in oils centred on the lesser known stocks and in particular on Exploration Company of Louisiana, (XCL), where the startling rise in the stock price this week prompted the company to issue e statement yesterday.

This week has seen the shares rocket from the 24p on Monday morning to 58p et one point yesterday before closing at 56p, up 14. It was suggested that the group had secured new exploration acreage in the US, sdjscent to a prolific hydrocarbon area, and had also sold some assets.

The company said after the close of trading on the stock market that it knew of no reason for such an increase in its share price. It said it had made presentations to US institutional investors who bought shares on the London market. Some notably heavy trades in XCL shares showed up on the Seaq delayed ticker earlier this week.

Activity in Racal Electronics picked up significantly. The shares moved up 3 to 57½p on heavy turnover of 13m, amid hints that a counter bid to the near £700m offer launched by Williams Holding two weeks ago is about to materialise.

Specialists are looking for an injection of cash into the bid arena. The Williams offer is all-paper, three Williams shares for every 20 Racal.

Vodafone rose sharply following a strong buy recommendation from Salomon Brothers, the US investment bank. Mr Richard Ryder and Mr Andrew Harrington at Salomon shifted their stance on the stock from hold to buy and increased their estimate of the stock's value from 335p to 443p.

British Aerospace ran back to 409p before steadying to close 15 off et 413p, reflecting worries that its £432m rights issue may be given the thumbs down by shareholders.

Confirmation that Zaire's biggest copper and cobalt mines have been shnt since Monday because of rioting came after metal and equity markets had closed. The copper price closed officially slightly lower, bnt rose in after-hours trading. RTZ, which has been strong on the back of a firm copper price, rose again yesterday to 565p, up 8 on the day.

Glaxo recovered ground after four consecutive days of weskness. Investors were reminded of the potential of the company's migraine drug Imigran by publicity given to e research study on the drug's effectiveness. The shares gained 18 to 1356p.

Scientific press coverage of the apparent failure of research designed to find an Aids vaccine underpinned the Wellcome price. Wellcome makes an Aids treatment that is not a vaccine. The shares sdded 9 at 750p.

Fisons recovered after recent weakness only to lose ground again on talk that its Iron supplement Inferon might be withdrawn from the French market. The temporary absence of high margin Inferon from the US this year caused a drop in profits that surprised City analysts. The shares were 8 higher at one point before ending a 2 to the good at 455p.

The steady flow of buyers of BOC, following a broker's recommendation earlier in the week, continued unabated. The shortage of stock was exacerbated as e result and the shares were squeezed 20 higher to 613p.

Paper maker Arjo Wiggins Appleton added 8 et 275p helped by news that it had won an EC anti-dumping case over facsimile machine paper supplies from the Far East.

Lasmo, 307p, and Enterprise, 510p, the leading stocks in the exploration and production sub-sector, were restrained by a cantious note from Hoare Govett. The broker put an asset valuation of 493p e share on Enterprise and 335p a share on Lasmo.

Allied-Lyons recovered sharply, helped by more bid speculation. Treders said senior management of the favoured predator, Philip Morris, was visiting Europe. They also reported buying for the new sccount, which starts on Monday. The shares were 17 better at one point before ending 14 higher on the day st 639p in good volume.

Guinness eased 7 to 1019p following a meeting at a securities house on Thursday.

Ratners lost ground rapidly in heavy trade. Two large blocks of shares were dealt and represented two placings of stock with institutions according to traders. They said one had not gone well and the failure pushed the shares 10 lower to 115p as turnover reached 15m. Sears slipped 2 to 92p ahead of interims on Tuesday.

United Newspapers continued to benefit from better than expected figures on Thursday. The shares rose another 15 to 413p for e two-day improvement of 39.

Paper company David Smith dropped 21 to 348p after a gloomy annual meeting statement. The company said it saw no sign of e recovery.

Aircraft interiors designer AIM Gronp gained 16 to 161p after BZW reiterated its buy stance on the company.

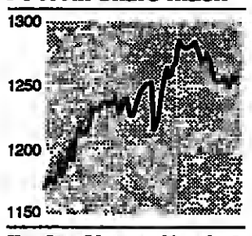
The effects of an open offer of shares in Takare, the nursing homes group, had already been discounted by the market and the shares rose 2 to 151p. Mr Andrew Richmond of UBS Phillips & Drew moved the stock from e sell to a hold and said be was restrained from tnrning buyer because the company was not as cheap on an asset basis as it appeared on earnings. Also, BZW placed Singer & Friedlander's 29 per cent stake (18.4m shares) in Takare at 140p a share with e variety of institutions.

Enamelware manufsctnrer Bilston & Battersea, also USM-listed, continned to suffer the effects of Thursday's poor first-half results, and the shares fell 10 to 50p, a drop of 16 in two days.

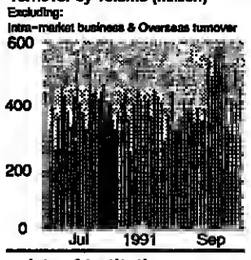
MARKET REPORTERS:
Daniel Green, Peter John, Jim McCallum, Steve Thompson.

■ Other market statistics, including the FT-Actuaries Share Indices and London Traded Options, Page 8.

FT-A All-Share Index



Equity Shares Traded



NEW HIGHS AND LOWS FOR 1991

NEW HIGHS (115). BRITISH FUNDS (7) Tr. 9pc 1992-96, Tr. 2pc I-L 1992, Tr 2pc I-L 1994, Tr 2pc I-L 1996, Tr 2½pc I-L 2001, Tr. 2pc I-L 2006, Tr. 2½pc I-L 2011, AMERICANS (2) Data Gen., Merrill Lynch, CANADIANS (1) Granges Expln., BANKS (2) ABN Amro, Secure Tst., BUILDINGS (4) Abbey, Ball (A.H.), Donelon Tyson, Wilson Bowden, CHEMICALS (1) Yorkshire Chems., STORES (7) Forminster, Gabicci, Hogg Robinson, Liberty Non-Vtg., Pentos, Shani, Wyevale Garden Centres, ELECTRICALS (5) Harland Simon, Life Sciences, Maxiro 4, Real Time Cont., Renishaw, ELECTRICITY (1) Sth. Wales Elect., ENGINEERING (7) Advanct, Allen Conn. Equ., Fairey, Maintrax, Morris Ashby, TACE, Weir, FOODS (4) Brake Bros., Farepak, J.L. Morrison (Wm) Supermarkets, Park Food, Sims Food, INDUSTRIALS (20) BSS, Baynes (Charles), Bodycote, Burndene, CRT, Colorgen, Dobson Park, Dolphin Pack., French (T.), Grampian, Gt. Southern, Johnson Cleaners, M.L. Labs., Maclarians (Clansman), Mayborn, RCO, Read Exec., Silentnight, Unilever, Vinten, INSURANCE (2) Britannic, Hogg, LEISURE (6) Boosey & Hawkes, Capital Radio, Carlton Comms., Do. 8½p Pl., Central ITV, LWT 3½p Ptd., MOTORS (2) Appleyard, Sanderson Murray Elder, NEWSPAPERS (8) Adscene, Johnston Press, News Intl. Spec. Div., Portsmouth & Sund., Quarto, Utd Newspapers, PAPERS (5) Abbott Md. Vickers, Benzone, Ferguson Ind., Lawson Mardon, Stat-Plus, PROPERTY (1) Mucklow (A & J), SHOES (1) Pittard Garnar, TEXTILES (5) Allied Textile, Haggas (John), Ingham (G), Lamont, Yorkshire, TOBACCOS (1) Rothmans B, TRANSPORT (4) Air London, NFC Var. Vtg., Norex, Tiphook, TRUSTS (15) Aberforth Split Level Cap., Do. Units, Archimedes, Baillie Gifford Japan, Dunedin Worldwide, Fleming Fledgeling, For. & Col. Pacific Warrants, Moorgate Smaller Co's., Do. Warrants, Nth. Brit. Canadian, Scottish Cities, Do. A, Templeton Emrg. Mkts., Do. 1pc Ln., Do. Warrants, OILS (4) Evergreen Res., Global Nat. Res., Utd. Energy, Woodside. NEW LOWS (12). FOODS (2) ASDA, Ashley, HOTELS (1) Principal Hotels, INDUSTRIALS (4) BLP, Bilston & B'ess., Oriflame, PFG Hodgson Kenyon, LEISURE (1) Expedier, PROPERTY (3) Cardiff Prop., Dwyer, Mountleigh, TRUSTS (1) Abtrust New That.

RISES AND FALLS YESTERDAY

	On Friday Rises	Falls	Same	On the week Rises	Falls	Same
British Funds	29	25	29	96	200	116
Corps, Dom. & Foreign Bonds	1	3	16	5	20	75
Industrials	232	304	963	1,364	1,325	4,802
Financial and Props	83	108	570	624	486	2,695
Oils	21	21	47	96	102	243
Plantations	0	0	10	1	4	45
Mines	22	53	79	158	159	457
Others	50	42	41	234	223	212
Totals	438	556	1,755	2,578	2,519	8,645

FINANCIAL TIMES STOCK INDICES

	Sept 27	Sept 26	Sept 25	Sept 24	Sept 23	Year Ago	1991 High	1991 Low	Since Compilation High	Since Compilation Low
Government Secs	87.28	87.32	87.36	87.52	87.62	78.09	87.94 (18/9)	82.17 (2/1)	127.4 (9/1/35)	49.15 (3/1/75)
Fixed Interest	96.84	87.00	97.06	97.13	96.82	86.88	87.13 (24/9)	90.59 (2/1)	105.4 (28/11/47)	50.53 (3/1/75)
Ordinary Share●	2018.9	2025.2	2028.9	2009.4	2015.5	1535.7	2108.3 (2/9)	1606.3 (16/1)	2108.3 (2/9/91)	49.4 (26/9/40)
Gold Mines	158.1	163.1	163.7	161.3	159.1	200.7	222.8 (11/7)	127.0 (22/2)	734.7 (15/2/83)	43.5 (26/10/71)
FT-SE 100 Share	2598.0	2595.6	2597.6	2576.6	2579.5	1990.2	2679.6 (2/9)	2054.9 (16/1)	2679.6 (2/9/91)	986.9 (23/7/84)
FT-SE Eurotrack 200	1169.39	1169.39	1171.08	1168.56	1169.98	-	1198.60 (3/9)	938.82 (16/1)	1198.60 (3/9/91)	938.82 (16/1/91)
●Ord. Div. Yield	4.68	4.69	4.68	4.71	4.98	6.21	Basis 100 Govt. Secs 15/10/26, Fixed Int. 1928, Ordinary 1/7/35, Gold mines 12/9/55. Basic 1000 FT-SE 100 31/12/83 & FT-SE Eurotrack 200 29/12/90. ☆ NM 15.80			
●Earning Yld %(full)	7.50	7.52	7.50	7.54	7.53	13.02				
●P/E Ratio(Net)(☆)	18.63	16.59	16.83	16.53	16.58	9.31				
SEAQ Bargns 4.45pm	34,672	29,428	28,585	27,314	27,812	17,684				
Equity Turnover(£m)†	-	1116.87	1110.02	913.84	783.99	734.69				
Equity Bargains†	-	30,411	28,253	26,813	28,886	16,427				
Shares Traded (ml)†	-	452.8	512.8	422.4	346.1	331.0				

Ordinary Share Index, Hourly changes — Day's High 2028.9 — Day's Low 2017.1

Open	9 am	10 am	11 am	12 pm	1 pm	2 pm	3 pm	4 pm
2021.5	2024.7	2018.2	2021.9	2021.0	2020.5	2022.6	2027.3	2019.9

FT-SE 100, Hourly changes — Day's High 2605.9 — Day's Low 2588.9

Open	9 am	10 am	11 am	12 pm	1 pm	2 pm	3 pm	4 pm
2593.0	2595.1	2590.6	2593.8	2594.3	2595.5	2599.1	2605.9	2598.1

FT-SE Eurotrack 200, Hourly changes — Day's High 1170.79 — Day's Low 1164.13

Open	10 am	11 am	12 pm	1 pm	2 pm	3 pm
1165.67	1164.14	1165.43	1167.31	1167.48	1168.24	1170.50

GILT EDGED ACTIVITY

Indices*	Sept 26	Sept 25
Gilt Edged Bargains	90.4	90.4
5-Day average	82.8	79.0

*SE Activity 1974.
†Excluding intra-market business & Overseas turnover.

London report and latest Share index: Tel. 0898 123001

TRADING VOLUME IN MAJOR STOCKS

	Volume 000's	Closing Price	Day's change
ADT	87	475	+7
ASDA Group	12,000	55	-6½
Abbey National	1,000	301	-2
Albert Fisher	1,900	169	-1
Allied-Lyons	3,400	639	+14
Amstrad	2,600	49	-1
Anglian Water	494	376	-3
Argos	359	301	-4
Argyll Group	1,800	280	-3
Arjo Wiggins	1,400	275	+8
Ass. Brit. Foods	812	465	-2
BAA	1,900	458	+1
BAT Inds.	3,800	662	-4
BET	2,100	219	+8
BICC	724	214	+1
BOC	1,100	613	+20
BPB Inds.	2,400	179	+1
BTR	3,300	416	+2
Bank of Scotland	525	118	+1
Barclays	3,900	461	+4
Bass	1,300	1005	+9
Beazer	1,500	117	
Berkeley Int.	1,100	352	
Blue Circle	649	280	-3
Booker	81	474	-3
Boots	693	422	-2
Bowater	862	394	-1
Brit. Aerospace	2,200	413	-15
British Airways	2,700	184	+1
British Gas	4,600	278	+½
British Land	114	314	-2
BP	4,100	336½	+½
British Steel	8,300	132½	+½
British Telecom	3,800	392	+1
Bunzl	3,900	95	+3
Burmah Castrol	412	578	-9
Burton	3,600	46	-2
Cable & Wire	3,000	571	-6
Cadbury	1,500	416	-1
Calor Group	478	233	-2
Carlton Comms.	346	524	+11
Coats Viyella	3,500	177	-2
Comm. Union	806	507	-1
Cookson	1,900	124	-3
Courtaulds	940	246	-1
Dalgety	628	418	
De La Rue	65	455	
Dixons	7,700	241	-8
ECC Group	143	478	+2
Eastern Elect.	731	199	-1
East Midland Elect.	533	308½	-½
Enterprise Oil	272	510	-2
Eurotunnel Units	301	33½	-7
FKI	3,300	74½	+½
Ferranti	1,200	9	-½
Fisons	3,900	455	+2
Forte	4,100	271	-3
Gen. Accident	927	598	+3
General Elect.	6,100	185	+2
Glaxo	1,600	1354	+18
Glynwed Int.	661	248	-2
Grenada	302	767	-1
Grand Met.	1,600	612	+7
GUS A	168	1335	-9
GRE	2,000	182	-4
GKN	1,300	374	-7
Guinness	1,200	1019	-7
Hammerson "A"	226	631	-3
Hanson	4,000	226	-1
Hanson Warrants	700	29½	
Harrisons Crosfield	356	158	
Hawker Sidd.	380	751	-1
Hillsdown	1,400	219	-9
IBI	176	223	
ICI	841	1304	+5
Inchcape	1,000	378	+9
Kingfisher	832	541	-3
Ladbroke	1,600	280	
Land Securities	1,000	536	+3
Laporte	342	600	
Legal & General	944	422	-3
Lloyds Abbey	2,700	425	-1
Lloyds Bank	1,500	398	
LASMO	213	307	
London Elect.	1,000	216	-1
Lonrho	3,900	24½	+½
Lucas	2,300	145	-3
MB Caradon	1,600	257	-4
MEPC	1,000	502	-2
Manweb	1,100	287	
Marks & Spencer	1,400	273	+1
Maxwell Comms.	172	167½	-½
Midland Bank	2,100	259	-4
Midlands Elect.	198	213½	-2
NFC	1,000	217	-1
National Bank	3,500	362	+4
National Power	3,100	163½	-3
Nat.	5,000	45	-1
North West Water	1,100	387	-2
Northern Elect.	137	218	-1
Northern Foods	841	223	-4
Norweb	452	231	-1
Pearson	641	780	-2
P & O	1,500	588	-1
Pilkington	2,400	100	-1
PowerGen	2,900	173	-3
Prudential	5,000	283	+3
RHM	2,300	288	-7
RMC	281	699	+3
RTZ	1,500	568	+3
Racal	19,000	58	+3½
Reed Ovg.	330	685	+1
Reckitt & Colman	914	662	+7
Redland	1,100	553	
Reed Intl.	1,500	474	-4
Rankich	227	375	+1
Reckitt	363	959	-12
Rolls Royce	4,900	147½	+1½
Rothmans	253	1144	-6
Ryl Bk Scotland	477	178	-1
Royal Insurance	3,500	391	-3
Sainsbury	12,000	257½	
Scottish & New.	494	415	+2
Scot. Hydro-Elect.	2,100	716	-½
Scottish Power	3,600	153½	-2
Sears	9,600	92	-2
Sedgwick	612	255	-2
Seaboard	907	218	
Severn Trent Water	3,400	339	-8
Shell Transport	4,600	643	+3
Sidlaw	498	525	+3
Slough Ests.	1,100	270	-3
Smith (W.H.) A	59	437	-6
Smith & Nephew	3,700	138	-1
SmKl Beecham	1,700	748	-2
SmKl Beecham Uts.	148	3238	+3
Sraffne Inds.	772	278	-8
Southern Elect.	429	212½	-2½
South Wales Elect.	498	287	
South West Water	1,700	351	-1
South West. Elect.	236	312	-1
Southern Water	598	334	-4
Standard Chartd.	743	370	
Stanehouse	2,600	111	-3
Sun Alliance	2,100	343	-2
TSB	387	161	-5
TI Group	79	633	
TSB	858	145	-1
Tarmac	4,000	200	-2
Tate & Lyle	1,100	356	-3
Taylor Woodrow	865	190	+1
Tesco	4,300	244	-4
Thames Water	2,900	358	-7
Thorn EMI	898	765	+8
Tomkins	910	402	-1
Trafalgar House	1,000	240	
Ultramar	1,000	235	-1
Unigate	226	315	-2½
Unilever	1,000	775	+3
United Biscuits	674	397	
Utd. Newspapers	1,260	413	+15
Vodafone	6,800	328	+5
Wellcome	1,300	750	+9
Welsh Water	702	366	-7
Wessex Water	582	417	-2
Whitbread "A"	409	475	+1
Williams Hldgs.	1,300	384½	
Willis Corroon	1,000	564	+1
Winpey	1,000	196	
Yorkshire Elect.	532	243	-2
Yorkshire Water	1,000	396	-4

Based on the trading volume for a selection of Alpha securities dealt through the SEAQ system yesterday until 4.30pm. Trades of one million or more are rounded down.

BENCHMARK GOVERNMENT BONDS

		Coupon	Red Date	Price	Change	Yield	Week ago	Month ago
AUSTRALIA		12.000	11/01	110.4409	+0.195	10.31	10.59	10.64
BELGIUM		9.000	06/01	98.1000	+0.150	9.13	9.19	9.28
CANADA *		9.750	12/01	103.8500	+0.775	9.19	9.38	9.70
DENMARK		9.000	11/00	99.3750	+0.050	9.09	9.15	9.28
FRANCE	BTAN	8.500	11/96	97.7224	+0.005	9.06	9.02	9.15
	OAT	9.500	01/01	103.9600	+0.050	8.84	8.86	8.97
GERMANY		8.750	08/01	102.2000	+0.160	8.41	8.44	8.44
ITALY		12.500	03/01	99.7700	+0.160	12.93	12.94	13.33
JAPAN	No 119	4.800	06/99	92.2512	+0.054	6.29	6.37	6.80
	No 129	5.400	03/00	102.5845	+0.114	5.95	6.04	6.49
NETHERLANDS		8.500	03/01	98.1400	+0.090	8.79	8.80	9.77
SPAIN		11.900	07/96	101.7300	-0.250	11.36	11.35	11.68
UK GILTS		13.000	11/96	131-11	+31/32	9.66	9.60	9.98
		10.000	02/01	102-10	+01/32	9.62	9.52	9.97
		0.000	10/06	86-21	-04/32	9.40	9.30	9.75
US TREASURY *		7.875	03/01	102-17	+09/32	7.61	7.57	7.86
		9.125	06/21	103-07	+15/32	7.85	7.88	8.10

London closing, *denotes New York morning session. Prices: US, UK in 32nds., others in decimal. Yields: Local market standard. Technical Data/ATLAS Price Sources

FT-A INDICES LEADERS AND LAGGARDS

Percentage changes since December 31 1990 based on Thursday September 26 1991

Textiles	+ 53.03	500 Share Index	+ 22.46
Packaging, Paper & Printing	+ 46.06	All-Share Index	+ 21.79
Health & Household	+ 41.89	Motors	+ 21.60
Electricals	+ 40.87	Brewers & Distillers	+ 21.04
Chemicals	+ 40.71	Capital Goods	+ 18.91
Business Services	+ 38.68	Food Manufacturing	+ 18.73
Telephone Networks	+ 37.18	Electronics	+ 17.26
Merchant Banks	+ 35.83	Financial Group	+ 16.95
Engineering-General	+ 34.77	Metals & Metal Forming	+ 15.15
Other Industrial Materials	+ 30.79	Insurance Brokers	+ 12.38
Other Groups	+ 29.75	Hotels & Leisure	+ 10.88
Electricity	+ 27.75	Water	+ 10.54
Banks	+ 27.56	Food Retailing	+ 9.50
Stores	+ 26.97	Building Materials	+ 8.12
Media	+ 26.90	Gold Mines Index	+ 5.50
Consumer Group	+ 25.63	Oil & Gas	+ 4.78
Industrial Group	+ 25.53	Insurance (Composite)	+ 4.63
Investment Trusts	+ 25.27	Contracting, Construction	+ 2.58
Transport	+ 24.96	Property	+ 9.39
Insurance (Life)	+ 24.46	Engineering-Aerospace	- 4.19
Conglomerates	+ 23.40		

EQUITY FUTURES AND OPTIONS TRADING

LIFFE traders were once again busy rolling ont their open positions in the September Footsie future contract ahead of the new-style expiry on Monday, writes Peter John.

The market bas instigated change in response to claims of market manipulation and price rigging following expiry of the June contract last year. The expiry time has been doubled from 10 to 20 minutes and will take place slightly earlier in the morning to avoid a possible clash with the release of economic data.

Any worries that there will be a large nnmber of open positions on expiry appeared to dissolve yesterday. Brisk business over the past two days has brought the open interest in the September contract down to an estimated 10,000, par for the course at this stage. The premium on September, which closed at 2604 yesterday, came down to 5 points above the underlying cash market at the close. However, the spread between September and the December contract widened to 60 points.

Turnover on LTOM was down on previons days with only 24,108 lots dealt. Bid speculation spperated to be the prominent feature among stock options with Asda, Allied-Lyons and Sears the busiest three traders.

COMMODITIES

WEEK IN THE MARKETS

Coffee prices touch 15½-year lows

HOPES THAT this week's meeting of the Intsrnational Coffee Council would further the cause of a proposed stock retention scheme to boost flagging prices had all but evaporated by the time producing and consuming country delegates took their seats at the International Coffee Organisation's London headquarters on Monday morning.

In the event the plan, to withhold 10 per cent of coffee production from the market, was only presented informally by Brazil and Colombia, who had failed to secure the backing of African and Asian producers. And it got a pretty cold reception from consumers, especially the all-important Americans.

The scheme's backers were not ready, however, to accept that it had been rejected. "The scheme cannot be rejected because it has not been officially proposed," explained one delegate.

Neither was there any negotiation this week on the revival of the ICO's export quota system, suspended in July 1989.

As the talks ground towards their conclusion yesterday delegates contented themselves with extending the current international agreement, without economic clauses, for an extra year after its scheduled expiry next September and forming a working group to consider the possibility of setting up a new agreement. The group is to report its recommendations by the start of April.

The general expectation of such an outcome was reflected in last week's £23 fall in the November futures price. This week's further fall to a 15½-year low owed more to the ending of a worrying dry spell in Brazilian growing areas. The November price dipped yesterday to £516 a tonne before closing at £521, down £18 on the week.

Traders tbought the unrest in Zaire, a significant coffee producer, had little effect on sentiment in that market. But at the London Metal Exchange the Zaire factor encouraged e mid-week bounce, although dealers said shipments of Zairean metal did not seem to have been affected by the violence and the state-owned Gecamines was reported to have said that production was normol. Having failed to breach overhead resistance the cash copper price fell beck £11.50 yesterday to close at £1,349.50 a tonne, down £16 on the week.

The mood changed in after-hours trading, however, when news emerged from Kinshasa that Gecamines' biggest copper and cobalt mines bad been shut since Monday. Mr Umba Kyamitala, the company's president, said workers had not turned up at mines in tbe south since tbe disturbances started. The LME's final kerb close for three months metal was £1,357.50, up £10 from the closing level.

LME WAREHOUSE STOCKS
(As at Thursday's close)
tonnes

Aluminium	+9,800	to 697,050
Copper	−325	to 309,300
Lead	+2,125	to 103,325
Nickel	−240	to 8,570
Zinc	+225	to 149,325
Tin	−280	to 14,020

Aluminium prices continued on their downward path, reaching fresh life-of-contract lows, as LME stocks surged to a new peak. At yesterday's close the cash LME price was quoted at $1,162 a tonne, down $26.50 on the week.

Thursday's announcement that Reynolds Metals of the US would be shutting the two remaining pot lines at its Trontdale, Oregon, smelter from December had little effect on sentiment. Dealers said the move would need to be quickly followed by other prodncers if there was to be any impact on the world's heavy oversupply of the metal. But on the same day The Aluminum Company of America (Alcoa), the biggest western producer, said it had no plans to shot any of its North American prodnction capacity.

At the London bullion market gold silver and platinum were all sbowing significant gains on the week until silver led a general downturn yesterday. US investment fund buying had helped the cash silver price to put on 15.50 cents a troy ounce before heavy long-liquidation burst the bubble. The price ended 13 cents down on the dey at 410 cents an ounce. The gold price, which also suffered from Swiss selling, iost $2.80 to close 65 cents up on the week at $349.15 an ounce, while platinum's $6.50 fall left it $5.35 down on balance at $348.65 an ounce.

Richard Mooney

APPOINTMENTS

Hoover to strengthen management team

■ HOOVER EUROPE has strengthened the management team st its Merthyr Tydfil, Wales, headquarters with the appointment of three men as vice-presidents.

Mr Ian Bonnar, who is in charge of prodnction et the Merthyr washing-machine plant, becomes vice-president manufacturing, Europe.

Mr Brian Bristow, service director, becomes vice-president service and commercial, and Mr David Metcalf, finance director for Hoover in the UK, becomes vice-president finance, Europe.

The three will report directly to Mr Bill Foust, president of Hoover Europe, and are part of the management restructuring which has taken place within the company since Maytag, the US domestic eppliance manufacturer, acquired Hoover in February 1989, as a result of its take over of Chicago Pacific, Hoover's then parent. Maytag reorganised the Hoover structure last October by merging Hoover UK and Hoover Trading into Hoover Europe.

■ SABRE LEASING, e subsidiary of THE UNION DISCOUNT COMPANY OF LONDON, has named Mr Anthony Simkin as managing director and Mr Stuart Duncan as deputy managing director and operations director.

■ CHUBB INSURANCE COMPANY OF EUROPE, the European arm of Chubb & Son Inc, one of the US's leading multinational specialist insurers, has opened an office in Manchester and made Mr Tim McMurragh underwriting manager of the new branch. He was formerly with Aegon Insurance.

■ SOCIETE GENERALE MERCHANT BANK PLC has appointed Mr R.T.S. Macpherson as a non-executive director. He also serves on the boards of several UK companies and institutions: Boustead, TSB Scotland, Caledonia Paper and Scottish Mntual Assurance Society.

■ Mr Paul Harwood has joined the MERCURY ASSET MANAGEMENT GROUP and has also been eppointed a director of WARBURG ASSET MANAGEMENT. He was previously with Newton Investment Management.

■ PORTER CHADBURN has named Mr John Jagger as chief executive of its consumer products division. He formerly worked for Grand Metropolitan, where he has held a number of senior executive positions in the US and UK.

■ Mr David Laing has become chairman of HEALTH & RACQUET CLUB EUROPE. He is a member of the Laing Construction family and is also county chairman of the Rural Development Commission for Hertfordshire and Bedfordshire.

■ PHAIDON PRESS has named Mr Martin Dunkerley as sales director. He has spent eight years with Mercuri International (UK), one of tha world's leading sales consultancies.

■ BERRY BROS & RUDD, old-established wine and spirit merchants and owners of Cutty Sark Scots Whisky, has appointed to the board Mr Colin Roberts, finance and administration director.

■ Mr Mark Turner has been appointed to the board of J.F. DONELON AND CO as contracts director, following s year as divisional director of tunnelling and microtun

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AUTHORISED UNIT TRUSTS

Abbey Unit Tst Mngrs (1000)H
80 Holdenhurst Rd, Bournemouth 0345 717373

Abtrust Unit Trust Managers Ltd (2001)H
10 Queens Terrace, Aberdeen AB9 1QJ 0800 837560

Acorn Unit Trust Managers Ltd (1100)F
1 White Hart Yd, London Bridge SE1 1NX 071-407 5966

Acuma Fund Managers Ltd (1000)F
5 Rayleigh Rd, Hutton, Essex 0277 690336

Aegis Unit Tst Mngmt Ltd (1400)F
94 Whiteladdies Rd, Bristol BS8 1QX 0272 237593

Allchurches Inv Mgmt Servs Ltd (2001)H
Beaufort House, Brunswick Rd, Glos 0452 305958

Allied Dunbar Unit Tsts PLC (1600)F
Allied Dunbar Centre, Swindon, SN1 1EL
0793 514514 Dealing 0793 610366

Alliance Trust Managers Ltd (2001)H
10 Dalhousie Square, Edinburgh EH1 2AD 031 220 0733

Alpha Unit Tst Mngrs Ltd (1600)F
Alpha House, 2-15 Pentonville Road, London, N1 9XG
Dealing: 0277 690580 Admin: 0277 690444

Amev Int'l Unit Tst Mngrs Ltd (1200)F
Amev Int'l Unit Tst Mngrs Ltd (1200)F
Amev Int'l Unit Tst Mngrs Ltd (1200)F

Arbuthnot Unit Tst Mngrs Ltd (1600)F
31-45 Gresham St, London EC2V 7DH 071-600 3031

Arkwright Management (1400)F
1 King St, Manchester M60 3AH 061-832 0242

Asset Unit Trust Mngrs Ltd (1600)F
20 Regent Street, London SW1Y 4PZ 071-839 5688

B & C E Unit Trust Mngmt Ltd (1000)H
Manor Farm, Crawley MK10 2QD 0908 516911

BL Unit Tst Managers Ltd (1000)F
PO Box 128, Beckenham, Kent BR3 4PN 081-663 3030

Baillie Gifford & Co Ltd (1400)F
10 Glenfinlas St, Edinburgh 031-226 6066

Bank of Ireland Fund Mngrs Ltd (1000)F
36 Queen St, London, EC4R 1BN 071-236 4210

Barclays Unicorn Ltd (2000)H
Unicorn Hse, 252 Romford Rd, E7 081-534 5544

Baring Fund Managers Ltd (1200)H
PO Box 156, Beckenham, Kent, BR3 4DQ 081-658 9002

Brown Shipley & Co Ltd (1000)F
9-17 Perrymount Rd Haywards Hth 0444 412026/34/35

Brown Shipley & Co Ltd (1000)F
Brown Shipley & Co Ltd (1000)F

Bryncoit Unit Tst Mngmt Ltd (1400)F
Hesketh Hse, Portman Sq, W1H 0JR 071-935 6382

Buckmaster Managmt Co Ltd (2001)H
15 St Botolph Street, London EC3A 7JJ 071-247 4542

Burrage Unit Tst Managmt Ltd (0905)F
117 Fenchurch St, London EC3M 5AL 071-480 7216

CCF Foster Braithwaite UT Mngt (1100)F
1 White Hart Yard, London SE1 1NX 071-407 5966

CIS Unit Trusts Ltd (1400)F
PO Box 105, Manchester M60 0AH 061 837 5060

Canada Life Unit Tst Mngrs Ltd (1200)F
High St, Potters Bar, Herts. EN6 5BA 0707 51122

Cannon Fund Managers Ltd (0630)H
1 Olympic Way, Wembley, HA9 0NB
081-902 8876 Dealing: 0800 282621

Capel Unit Tst Mngmt Ltd (5350)F
5 Harbour Exchange Square, London, E14 9GE
071-955 5050 Dealings: 071-955 5055

Capel-Cure Myers UT Mngmt Ltd (1000)F
35 Fountain Street, Manchester M2 2AF 061 236 5685
Enquiries 061 236 5685 Dealing 061 236 5942

City Of London Unit Tst Mngrs Ltd (1000)F
Sadlers Hs, Eastcr Ln, London EC3P 3JJ 071-623 8178

Clerical Medical Unit Tst Mngrs Ltd (1200)F
Narrow Plain, Bristol BS2 0JH 0800 373393

Commercial Union Tst Mngrs Ltd (1000)F
1 Undershaft, EC3P 3DQ Dealing 081-686 9818

Commercial Union Tst Mngrs—Contd.

Confederation Funds Mngt Ltd (1200)F
Lytton Way, Stevenage, Herts SG1 2HN 0438 744840

Consistent Unit Tst Mngt Co Ltd (1200)F
1 White Hart Yd, London Bridge, SE1 1NX 071 407 5966

Co-op Pension Fds UT Mngrs Ltd (1000)F
78-80 Cornhill, London EC3V 3NJ 071-283 9494

Cornhill Unit Trust Mngrs Ltd (1000)F
PO Box 136, Beckenham, Kent BR3 4RR 081-658 9611

Crown Unit Tst Services Ltd (1200)F
Crown House, Woking GU21 1XW 0483 715013

Dimensional Tst Managmt Ltd (0900)F
15 Charles II Street, London SW1Y 4QU 071-439 8711

Discretionary Unit Fund Mngrs (0900)H
C/O Emly Middleton, 66 Wilson St, EC2 071-377 8819

Drummond Fund Mangt Ltd (1000)F
1 White Hart Yd, London Bridge SE1 1NX 071-407 5966

Dunedin Unit Tst Mngrs Ltd (1400)H
25, Rawstone Terrace, Edinburgh 031-315 2500

EFM Unit Tst Mngrs Ltd (1400)H
4 Melville Crescent, Edinburgh 0345-090 526

Eagle Star Unit Mngrs Ltd (1000)F
Bath Road, Cheltenham GL53 7LQ 0242 577 555

Eagle Star Unit Trust Managers Ltd (1000)F
PO Box 136, Beckenham, Kent BR3 4RR 081-658 9611

Elson Ltd (1000)F
Central Ch, Knoll Rise, Orpington, BR6 0JA 0689 70538

Endurance Fund Management Ltd (0905)F
41 Harrington Gardens, London SW7 4JU 071-373 7261

Equitable Unit Trust Managers Ltd (1600)F
Walton St., Aylesbury, Bucks, HP21 7QR 0296 431 400

Equity & Law Unit Tst Managers (1200)F
Equity & Law Hse, Corporation St, Coventry CV1 1LZ

Equity & Law Unit Tst Managers (1200)F

Equity & Law Unit Tst Managers (1200)F

Equity & Law Unit Tst Managers (1200)F

FT MANAGED FUNDS SERVICE

● Current Unit Trust prices are available on FT Cityline. Calls charged at 48p per minute peak and 38p off peak, inc VAT. To obtain your free Unit Trust Code Booklet ring (071) 925-2128.

Sovereign Unit Tst Mngrs Ltd (1008)F
12 Christchurch Rd, Bournemouth 0202 298422

Standard Chartered Equitor (1200)F
69 Old Broad Street, EC2M 1QS 071-380 6521

Standard Life Tst Mgmt Ltd (0429)H
3 George St, Edinburgh EH2 2XZ 0800 393777

Stewart Ivory Unit Tst Mgrs Ltd (1200)H
45 Charlotte Sq, Edinburgh 031-226 3271

Sun Life of Canada Unit Mgrs Ltd (1000)H
Bedfont Lakes, Bedfont Road, Feltham 0800 525725

Sterling Unit Inv Mngrs Ltd (1200)F
Admin: 5 Raleigh Rd, Hutton, Brentwood, Essex
Enquiries: 0277 227500 Dealing: 0277 261010

Sun Alliance Unit Tst Mngmt Ltd (1200)F
Sun Alliance House, Horsham 0403 56255

Sun Life Trust Mngmt Ltd (1200)H
101, Cannon St, London EC4N 5AD

Swiss Life Unit Tst Man Co Ltd (1200)F
Admin: 5 Raleigh Rd, Hutton, Brentwood, Essex
Enquiries: 0277 227500 Dealing: 0277 261010

TSB Unit Trusts (1200)H
Charlton Pl, Andover, Hants, SP10 1RE 0264 346744

Three Counties Asset Mngmt Ltd (1400)F
Cedars House, Tower Road, Washington NE37 2SH 091 415 3034

Tomlinsons Trust Mngrs Ltd (0900)F
1 Mitre Passage, Greenwich Pier, London SE10 0ER 081-858 2437

Transfund Unit Tst Mngrs (1200)F
Transfund House, Haslemere, Surrey GU27 1HA 0428 651251

Trustee Union Unit Tst Mngrs (1200)F
M & G House, Addlestone, Surrey KT15 2HJ 0932 838355

Target Trust Mngrs Ltd (1200)F
The Exchange, 66 High St, Aylesbury, Bucks. HP20 1SE
Admin. 0296 394000 Dealing: 0296 312156

Waverley Unit Tst Mngmt Ltd (1000)F
3 Harbour Exchange Sq, London E14 9GE 071-955 9055

Waverley Unit Tst Mngmt Ltd (1000)F
23 Charlotte Sq, Edinburgh 031-225 1551

Westminster Unit Trust Managers Ltd (1700)H
1 White Oak Square, Swanley BR8 7AG 0705 308044

Westpoint Unit Trust Managers Ltd (1700)H
1 White Oak Square, Swanley BR8 7AG 0705 308044

OTHER UK UNIT TRUSTS

Baillie Gifford & Co Ltd
Int'l Equity Inc 28 ... 578.F 599.5J ... 1 0.64

Janus Capel Fund Managers Ltd
Managed Exempt ... 1436.13J 1436.8K1 +0.10 6.1 4.47

Cont. Bd. of Fin. of Church of Englandse
2 Fore Street, London EC2Y 5AG 071-588 1815
Int Fund Aug 31 ... 592.50 562.90 ... 2.13
Fac Inc Sep Aug 31 ... 139.80 143.35 ... 0.53

Deutsche Fund See Money Market Trust Funds

Charlemagne(Charlemagne) (1060)F
33 King William Street, EC4R 9AS 071-280 2800
C'mne Ac Sept 25 ... 163.8 167.3xd ... 4.79
C'mne Acc Sept 25 ... 189.1 193.3xd ... 4.79
C'mne Inc Sept 25 ... 117.8 118.3xd ... -2.80 4.21
C'mne Acc Sept 25 ... 207.8 215.3xd ... -3.30 4.21

CAFINVEST-Charities Aid Foundation
43 Pembroke Rd, Tonbridge TN9 2JD 0732 771333
Balanced Growth ... 50.48 50.27 ... 3.52
Income ... 54.06 55.64 ... 5.32

CBF-Charities Official Inv Fdts
2 Fore Street, London EC2Y 5AG 071-588 1815
Income Aug 31 ... 536.87 538.46 ... 5.38
Accum Aug 31 ... 1040.01 1042.43 ... -
Fixed Int Income Aug 31 ... 113.95 113.50 ... 10.21
Fixed Int Accum Aug 31 ... 129.35 128.84 ... -

Deposit Account - see Money Market Trust Funds

Edinburgh Fund Mngrs PLC
Kinnaird House, 1 Pall Mall East, London SW1Y 5AU 071-930 1066
Amer Exempt Sept 25 ... 162.0 166.3 +2.4 1.08
Managed Sept 25 ... 149.1 159.7 -0.9 3.29
Japan Sept 25 ... 114.9 119.1 +3.1 0.42
Sm Cap Dist Sept 27 ... 342.9 357.1 +23.5 1.09

Fidelity Investment Services Ltd
Kingsl Pens P Hldrs ... 135.2 139.4xd -0.3xd 3.22

Robert Fleming Asset Mngmt Ltd
Ent Exempt ... 1444.49 475.4x ... - 1.65
Gen Exempt ... 1433.58 153.5xd ... - 4.05
Int'l Exempt ... 1875.71 388.1x ... - 0.01
Pacific Exempt ... 194.20 97.3J ... - 2.30
Cont'l Euro Exempt ... 179.40 90.3xd ... - 2.30
Hdg Int'l Exempt Sep 26 ... 1131.81 135.0Y ... - 4.66
Amer Index Exd Sep 26 ... 1168.43 166.4C ... - 3.87
Japan Index Exd Sep 26 ... 1156.63 63.9d ... - 0.75
Euro Index Exd Sep 26 ... 1149.42 97.93 ... - 3.14
Pacific Index Exd Sep 26 ... 1194.44 100.5d ... - 2.28

Funds in Court*
Capital Sep 14 ... 509.13 512.89 ... 2.39
Gross Sep 19 ... 188.71 190.23 ... 10.25
High Yield Sep 14 ... 1298.04 208.44xd ... 7.32
* Restricted to monies under Court control

Henderson Unit Trust Management Ltd
Positions Mngd ... 154.24 55.351 -0.14 3.64

INVESCO MIM Management Ltd
Exempt Funds
Intl Mngd P Fnds ... 1203 1247 ... -
Mngd Pens (Acc) ... 71.4 76.1 ... -

Lazard Brothers & Co. Ltd
Property Sept 5 ... 12490.0 2680.0 ... 9.00
Int Gth Pro Apr 16 ... 11.325.8 1.460J ... 7.20

Lazard Investors Ltd ‡‡
Exempt Funds
Small Co's Sept 26 ... 1397.1 4048.4 ... 4.02
European Sept 26 ... 1543.4 548.0 ... 2.07
American Sept 26 ... 1354.4 358.1 ... 2.27
Japan Sept 26 ... 1517.1 523.3 ... 1.34
Pacific Sept 26 ... 1157.8 140.8 ... 1.97
W Midlands Aug 30 ... 1144.50 161.38 ... 2.40

Local Authorities Mutual Invest. Tst.*
2 Fore Street, London EC2Y 5AQ 071-588 1815
Property Aug 31 ... 144.20 203.20 ... 7.39
Equity Aug 31 ... 415.40 428.20 ... 5.82
* Available only to Local Authorities

M & G Securities Ltd
Charibond Sept 24 ... 103.94 ... -0.1 10.37
Unicorn Unit(s) ... 597.26 ... -0.8 10.37
MANGIF Sept 24 ... 43.35 ... - 9.08

Morgan Grenfell Unit Trust Managers Ltd
Exempt Funds
UK Equity I Sept 24 ... 128.9 138.0 ... 3.73
UK Small Co I Sept 24 ... 538.9 587.0 ... 3.42
Fixed Income I Sept 24 ... 111.2 117.0 ... 8.53
US Small Co Sept 24 ... 168.9 177.4 ... 0.00
Managed Sept 24 ... 108.6 116.1 ... 3.39
Intl Bond Sept 24 ... 119.4 126.0 ... 10.19
Japan Sept 24 ... 72.36 78.99 ... 0.37
European Sept 24 ... 88.15 94.35 ... 1.96
Nth American Sept 24 ... 108.3 116.4 ... 1.36

Murray Johnstone UT Mngmt
Murray Exempt Funds
Amer Exempt Sept 25 ... 52.31 54.40 ... 2.10
Euro Exempt Sept 25 ... 32.01 34.60 ... 1.12
Fixed Int Ex Sept 25 ... 47.45 48.63 ... 9.92
Japan Exempt Sept 25 ... 46.86 48.52 ... 0.66
Managed Ex Sept 26 ... 44.99 46.88 ... 4.11
SE Asia Exempt Sept 25 ... 70.71 74.24xd ... 3.25
Sm Cos Exempt Sept 25 ... 34.63 38.47 ... 3.56
UK Exty Ex Sept 25 ... 44.37 46.59xd ... 3.75

Phillips & Drew Fund Management Ltd
Small Co's Sept 4 ... 704.9 749.0 ... 4.43
Do Accum ... 806.4 856.8 ... 4.43
Int Equit Sept 26 ... 181.5 184.10 ... 2.16
UK Index Linked Sept 26 ... 1248.0 1254.0 ... 4.68
Do Accum ... 1347.0 1342.0 ... 4.68
Convertible Sept 26 ... 97.66 101.16 ... 6.30
Hedged Int Index Sept 26 ... 792.9 802.4 ... 1.92
Do Accum ... 792.8 802.4 ... 1.92
Japan Index Sept 26 ... 597.2 604.5 ... 0.57
Do Accum ... 597.2 604.5 ... 0.57
USA Index Sept 26 ... 994.7 1006.0 ... 2.96
Do Accum ... 1038.0 1059.0 ... 2.96
Europe ex UK Index Sept 27 ... 863.5 904.2 ... 2.59
Do Accum ... 915.5 950.6 ... 2.59
Pacific ex Jap Index Sept 26 ... 457.0 463.4 ... 3.48
Do Accum ... 1000.0 1005.0 ... 3.48
Gilt Fixed Interest Sept 26 ... 104.1 110.99 ... 4.08
Random Exempt Sept 26 ... 130.6 138.0 ... 3.28
Emerging Cos Exempt Sept 26 ... 119.3 127.0 ... 2.27
Euro Exempt Sept 26 ... 111.5 114.0 ... 2.43
Pacific Basin Sept 26 ... 130.6 134.6 ... 3.58

Rothschild Asset Management
RC Managed ... 162.2 56.1 ... -0.4 3.25
RC Property ... 157.6 173.2 ... -

J. Rothschild Fund Managers Ltd
Int Equity Accum ... 129.2 130.5 ... 1.11

Societe Generale Touche Remnant UT Mngmt
Ex European Sept 26 ... 1096 1187 ... 1.49
Ex Nth Amer Sept 26 ... 1008 1040 ... 3.56
Ex Pac Basin Sept 26 ... 777 787 ... 2.49
Ex Small Co Inc Sept 26 ... 1317 1395 ... 2.50
Ex Sector Inc Sept 26 ... 1346 1420 ... 7.25

Stewart Ivory & Co Ltd
Select PPP Sep 25 ... 1296.0 311.6J ... -

Closed to New business

Thornton Unit Managers Ltd
Managed (Cumul Sept 1) ... 198.43 103.74 ... 3.43
(Accum Units) ... 103.20 108.56 ... 3.99

For Touche Rem see Societe Gen Touche Rem

INSURANCES

AA Friendly Society
(Investment Mngt M & G Inv Mngt Ltd)
AA Friendly Sy Sept 13 ... 142.9 ... +4.61 -

Abbey Life Assurance Co Ltd
80 Holdenhurst Road, Bournemouth 0202 292373

Allied Dunbar Assurance Plc
Allied Dunbar Ctr, Swindon SN1 1EL 0793 514514

Century Life Plc
2 Eyre Street Hill, London EC1R 5AE 071-278 4488

Eagle Star Life Assurance Co Ltd
Sack Road, Cheltenham GL53 7LQ 0242 221 311

Guardian Royal Exchange
Royal Exchange, EC3 071-283 7101

Legal & General – Contd.

Manulife Group – Contd.

Merchant Investors Assurance Co Ltd
Part of the MI Group
91 Wimpole St, London W1M 7DA
Administration 0272 266366

Mercury Life Assurance Co Ltd
33 King William St, London EC4R 9AS 071-280 2800

Midland Life Limited
Norwich Hse, Commercial Rd, Southampton 0703 229929

London Indemnity & Bal. Ins. Co Ltd
10-20 The Forbury, Reading 583511

London Life
100 Temple St, Bristol BS1 6EA 0272-279179

NEL Britannia Assc Co Ltd
Milton Court, Dorking, Surrey 0306 887766

Hearts of Oak Insurance Group
Hearts of Oak House, 9 Princes Rd West, Leicester LE1 6TR 0533 549010

Liberty Life Assurance Co Ltd
Station Rd, New Barnet 081-440 8210

Life Association of Scotland
11-9 Dundas St, Edinburgh EH3 5EB 031-550 5000

Lifetime Assurance Co Ltd
Bank Hse, St John's Rd, Harrow HA1 2EE 081-863 5999

Hill Samuel Life Assur. Ltd
44 Tower, Addiscombe Rd, Croydon 081-686 4355

Henderson Administration(z)
5 Finsbury Ave, London, EC2 2PN 071-638 5757

Irish Life Assurance Co Plc
Victoria St, St. Albans, Herts, AL1 3TF 0727 48181

Eurolife Assurance Company Ltd
Eurolife Hse, 16 St John St, EC1M 4AY 071-454 0105

Equitable Life Assurance Society
Walton St, Aylesbury Bucks HP21 7QW 0296 393100

Equity & Law
Amersham Road, High Wycombe 0494 445463

Clerical Medical/Fidelity Investments
Narrow Plain, Bristol BS2 0JH 0272 290566

City of Westminster Assurance (z)
Sun Pen 469, 500 Jessey Blvd, Milton Keynes MK9 2HU

Friends Provident
Castle Street, Salisbury, Wilts SP1 3SH. 0722 413366

Ideal Insurance Co Ltd
Moor Green Lane, Birmingham B13 8NC 021 449 4101

Interlife Assurance Co Ltd
149-151 High Rd, Chadwell Hth RM6 6PJ 081-597 7566

Lauractem Life plc
Barnwood, Gloucester GL4 7RZ 0452 371371

Lauractem Life plc
Barnwood, Gloucester GL4 7RZ 0452 371371

Manulife Group
St George's Way, Stevenage Enquiries: 0438 356101

Manulife Group – Contd.

NM Life Assurance Ltd
Enterprise House, Portsmouth 0705 827733

MGM Assurance (z)
MGM House, Hove Rd, Worthing 0903 204631

Manchester Unity Assurance
40 Fountain Street, Manchester M2 2AB 061 832 9341

M & G Life and M & G Pensions
Victoria Road, Chelmsford, CM1 1FB 0245 266266

NEL Pensions Ltd
Milton Court, Dorking, Surrey 0306 887766

Norwich Union Life
Surrey Street, Norwich NR1 3NG 0603 622200

Pearl Life
Pearl House, 252-258 Romford Rd, London E7 081-534 5544

Prudential Life
Holborn Bars, London EC2N 4HQ 071-405 4232

Reliance Life
Reliance House, Sutton, Surrey SM1 4LG 081-642 1060

Sun Life of Canada (U.K.) Ltd
Bedfont Lakes, Feltham, Middx TW14 8HG 081-890 7890

Sun Life Assurance Society plc
Sun Life House, Portsmouth Road, Cobham, Surrey KT11 1PT 0932 864141

Sun Life Assurance Co Ltd
Sun Life House, Tunbridge Wells, Kent TN1 1YB 0892 511511

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N & P Life Assurance Ltd
6-7 Bedford Row, London, WC1R 4DU — 071-430 2548

	Bid Price	Offer Price	+ or −	Yield Gross
Life Managed Fd	108.8	114.6	-0.2	—
Pension Managed Fd	108.3	114.0	-0.3	—
Life Deposit Fd	109.6	115.4	—	—
Pension Deposit Fd	115.8	121.9	—	—

For National Fin see Target Life

National Mutual Life
The Priory, Priory Pk, Hitchin, SG5 2DW — 0462 422422

	Bid Price	Offer Price	+ or −	Yield Gross
Managed Pensions Funds				
Managed	167.5	176.4	—	—
UK Equity	179.6	189.1	—	—
Overseas Equity	159.2	156.2	—	—
Fixed Interest	152.0	160.0	—	—
Property	136.4	143.6	—	—
Index Linked	150.8	158.8	—	—
Deposit	161.6	170.2	—	—
With Profits (B)	132.3	139.3	—	—

National Provident Institution
48 Gracechurch St, London EC3P 3HH — 071-623 4200

	Bid Price	Offer Price	+ or −	Yield Gross
Managed	360.1	379.1	-0.6	—
UK Equity	457.9	482.0	-1.9	—
Overseas Eq	347.2	365.4	+0.7	—
Americas	288.3	303.5	+0.8	—
Far East	372.8	392.5	+0.8	—
Property	194.6	204.9	—	—
Fixed Int	269.0	283.2	-0.5	—
Indexed Gilt	164.5	169.8	+0.4	—
Deposit	185.8	195.6	—	—
With Profit	103.3	108.7	—	—
Pension Fund (Accum Units)				
Managed	516.9	544.2	-0.9	—
UK Equity	617.4	649.9	-2.5	—
Overseas Eq	580.3	610.9	+0.3	—
Americas	482.1	507.4	+1.1	—
Far East	665.6	700.6	+0.6	—
Property	247.5	260.5	—	—
Fixed Int	336.4	353.1	-0.2	—
Indexed Gilt	173.4	184.7	+0.4	—
Deposit	268.4	276.3	+0.1	—
NPI Pension Management Ltd				
Managed Fund	1138.4	1158.7	—	—

Prices September 2 Next dealing October 1

Norwich Union Asset Management Ltd
PO Box 140, Norwich NR3 1PP — 0603 622200

	Bid Price	Offer Price	+ or −	Yield Gross
NUAM Funds				
Managed Fund	73.7	77.6	-0.1	—
Stock Market Mngd Fund	72.5	76.3	-0.1	—
Equity Fund	81.8	86.1	-0.3	—
International Fund	63.8	67.1	-0.1	—
European Fund	64.7	68.1	-0.1	—
North American Fund	72.4	76.2	-0.1	—
Pacific Fund	67.7	71.2	+0.3	—
Property Fund	79.9	84.2	—	—
Fixed Interest Fund	61.7	64.9	+0.1	—
Index Linked Sec Fund	63.3	66.6	+0.2	—
Deposit Fund	72.2	75.9	+0.1	—
NUAM Retirement Plans				
Mixed Fund	82.1	86.4	-0.2	—
UK Ordinary Share Fd	96.9	102.0	-0.3	—
International Fund	68.1	71.7	-0.1	—
Property Fund	83.0	87.3	—	—
Fixed Interest Fund	75.7	79.5	-0.1	—
Index Linked Sec Fund	67.4	71.0	+0.2	—
Deposit Fund	85.1	89.5	—	—
Mulnat (SAP)				
Managed Fund	1040.5	1095.3	-1.9	—
Equity Fund	2942.2	2960.3	-7.1	—
International Fund	166.0	177.7	+0.1	—
Property Fund	507.8	534.8	—	—
Fixed Interest Fund	463.1	487.5	+0.6	—
Index Linked Sec Fund	64.6	68.0	+0.2	—
Deposit Fund	298.7	309.2	—	—

Provident Life Assur Ltd
Provident Way, Basingstoke RG21 2SZ — 0256 470707

	Bid Price	Offer Price	+ or −	Yield Gross
Gold Room (Pensions)				
Discretionary Fund		136.4	-0.6	—
Equity Fund		139.2	-1.0	—
Fixed Interest Fund		143.1	-0.1	—
International Fund		108.0	-0.1	—
Property Fund		134.3	—	—
Index-Linked Fund		136.1	+0.1	—
Deposit Fund		149.8	+0.1	—
S & F Consolidation		139.7	—	—
S & F Balanced		150.9	+0.4	—
S & F Managed Growth		109.7	-0.2	—

Provident Mutual Life Assur. Assn.
William Rd, Hitchin, Herts SG4 0LP — 0438 799000

	Bid Price	Offer Price	+ or −	Yield Gross
Managed Fund	364.4	375.2	-0.6	—
Managed Fund	266.4	280.4	-0.5	—
Equity Ord	536.2	553.9	-2.5	—
Equity Inst	393.3	414.0	—	—
Index Linked Gilt Ord	158.7	167.1	+0.6	—
Index Linked Gilt Inst	123.9	130.4	+0.1	—
Overseas Equity Ord	284.1	299.1	+0.4	—
Overseas Equity Inst	212.3	223.5	+0.4	—
Property Ord	213.5	224.7	+0.1	—
Property Inst	159.6	168.0	+0.1	—
Fixed Interest Ord	212.0	223.2	-0.1	—
Fixed Interest Inst	158.5	166.8	-0.1	—
Deposit Ord	177.3	186.6	—	—
Deposit Inst	132.5	139.5	—	—
Pension Funds				
Managed Ord	454.3	478.2	-1.1	—
Managed Inst	339.6	357.5	-0.8	—
Equity Ord	688.8	725.1	-4.1	—
Equity Inst	514.9	542.0	-3.1	—
Pen Inst Ltd Gilt Ord	177.8	187.2	+0.4	—
Pen Inst Ltd Gilt Inst	138.8	146.1	+0.4	—
Overseas Equity Ord	323.9	340.9	+0.8	—
Overseas Equity Inst	242.1	254.8	+0.6	—
Property Ord	267.7	281.8	—	—
Property Inst	200.1	210.6	—	—
Fixed Interest Ord	264.7	278.6	-0.1	—
Fixed Interest Inst	197.8	208.2	-0.1	—
Deposit Ord	249.6	262.7	—	—
Deposit Inst	186.6	196.4	—	—

Prudential Assurance Co
Holborn Bars, London EC1N 2NH — 071-405 9222

	Bid Price	Offer Price	+ or −	Yield Gross
Prutund				
Managed Sept 18	269.10	269.9	—	—

Prudential Holborn Life
30 Old Burlington St, London W1X 1LB — 071-439 3134

	Bid Price	Offer Price	+ or −	Yield Gross
Holborn Life Funds				
Managed	573.5	603.7	-1.5	—
Equity	1180.2	1242.4	-4.4	—
Fixed Interest	455.2	479.2	-0.9	—
Property	973.3	993.8	—	—
Cash	233.5	245.8	—	—
International	399.1	420.2	+1.9	—
Holborn Series XI Life Funds				
Managed	537.1	566.5	-1.2	—
Equity	1143.6	1203.4	-3.2	—
International	388.0	408.5	+1.9	—
Fixed Int	439.4	462.6	-0.8	—
Property	360.6	379.6	—	—
Cash	324.2	341.3	—	—
Pacific Basin	211.3	222.5	+2.1	—
North American	150.8	158.8	+0.4	—
European	184.3	194.0	+0.5	—
Holborn Balanced Gnth	116.1	122.3	-0.2	—
Holborn Strategic Gnth	116.9	123.1	-0.1	—

Prudential Holborn Pensions Ltd
30 Old Burlington St, London W1X 1LB — 071-439 3134

	Bid Price	Offer Price	+ or −	Yield Gross
Managed	590.2	621.3	-0.9	—
Equity	842.3	886.7	-2.5	—
Global Equity	240.1	252.8	-0.3	—
Fixed Interest	516.4	543.6	-0.7	—
Property	356.7	375.5	—	—
Cash	209.4	220.5	+0.1	—
Index Linked Gilt	231.8	244.0	+0.6	—
Guaranteed	9.78	—	—	—
International Money	244.4	257.3	+0.2	—
North American	79.1	83.3	+0.4	—
Japanese	127.0	133.7	+0.5	—
European	101.3	106.7	+0.1	—
Special Situations	113.7	119.7	-0.5	—
Global Growth	91.9	96.8	-0.1	—
Smaller Companies	123.0	129.5	-0.2	—
International Small Cos	138.8	146.2	+0.3	—

Prudential Pensions Limited
Holborn Bars, London EC1N 2NH — 071-548 3281

	Bid Price	Offer Price	+ or −	Yield Gross
Prudential Managed Funds				
Discretionary Sep 25	183.58	189.12	—	—
Equity Sep 25	208.47	215.66	—	—
International Sep 25	281.98	29.22	—	—
Intl Bond Sep 25	113.95	14.18	—	—
Fixed Int Sep 25	195.83	96.91	—	—
Index Linked Sep 25	172.28	75.19	—	—
Property Sep 25	102.51	107.96	—	—
Cash Sep 25	128.5462	28.5462	—	—
Pre-Linked Retirement Plan				
Managed Sep 25	438.8	457.1	—	—
Cash Sep 25	263.3	274.3	—	—
Prudential Pensions Investment Account				
Pens Mngd Sep 27	177.2	190.3	+0.9	—
Pens UK Eq Sep 27	332.9	357.8	+2.5	—
Pens Intl Sep 27	191.8	205.9	+0.4	—
Pens Global Eqy Sep 27	102.6	108.1	+0.6	—
Pens Fixed Sep 27	218.3	230.0	+0.1	—
Pens Index Lk Sep 27	187.5	198.8	—	—
Pens Property Sep 27	85.8	88.3	—	—
Pens Cash Sep 27	171.8	181.0	+0.1	—
Prudential Pensions Plus				
Discretionary Sep 27	96.2	105.6	-0.1	—
Equity Sep 27	100.5	107.9	-0.1	—
Intl Bond Sep 27	93.7	98.4	-0.1	—
Global Equity Sep 27	98.6	105.6	-0.1	—
Intl Bond Sep 27	94.4	99.4	-0.2	—
Fixed Int Sep 27	94.7	107.8	—	—
Index Linked Sep 27	96.0	103.1	—	—
Property Sep 27	92.6	101.0	—	—
Cash Sep 27	97.3	102.4	—	—

For Regency Life Ass see AEGON Life Ass

Reliance Mutual
Reliance House, Tunbridge Wells, Kent — 0892 510035

	Bid Price	Offer Price	+ or −	Yield Gross
Deposit Acc Fd	153.4	161.5	—	—
Equity Acc Fd	368.0	388.4	-1.2	—
Managed Acc Fd	318.2	334.9	-0.3	—
Prop Fd (1st issue)	—	691.6	—	—
Prop Acc Fd (2nd iss)	183.3	192.9	-0.1	—
Unit Trust Mn. Fd	119.5	125.8	-0.6	—
UK Pension Funds				
Deposit Acc	216.1	227.5	+0.1	—
Equity Acc	131.3	138.2	-0.1	—
Fixed Int Acc	205.2	216.0	-0.8	—
Gilt Indx Lnk Acc	159.7	168.1	+0.3	—
Managed Acc	340.8	357.9	+0.3	—

Royal Heritage Life Assurance Ltd
Peterborough Business Pk, PE2 6GG — 0733 390000

	Bid Price	Offer Price	+ or −	Yield Gross
Multi Gwth	386.2	402.8	—	—
Multiple Growth 4 Cap	364.0	388.5	—	—
Op Prop	307.0	323.2	-2.5	—
Op Equity	707.6	745.3	-5.6	—
Op High Yld	428.0	450.6	-0.8	—
Op Man	596.4	627.8	-0.7	—
Op Dep	543.8	572.4	+0.1	10.77
Op Dist	196.2	206.6	-0.2	9.27
Op Int Man	309.0	325.3	+0.9	—
Op Emerging Ov's	304.8	320.0	-0.4	—
Op Pen Man				
Property Ser B	731.4	769.9	—	—
Equity Ser B	2180.1	2294.9	-12.3	—
Fixed Interest Ser B	787.1	828.5	-1.5	—
Managed Ser B	1104.1	1162.3	-3.4	—
Deposit Ser B	692.2	728.7	+0.2	—
Property Ser O	—	188.8	—	—
Equity Ser O	—	148.2	-0.8	—
Fixed Interest Ser O	—	94.3	-0.4	—
Managed Ser O	—	102.0	-0.3	—
Deposit Ser O	—	106.5	—	—
Pension Unit Trust Funds				
Sarnore Global Ser B	168.5	177.4	+0.3	—
Carmore HA Ser B	102.0	107.4	-0.1	—
Gartmore Pacific Ser B	262.8	276.7	+0.8	—
Henderson Acc Ser B	191.9	202.0	+1.0	—
Perpetual Mny Ser B	200.7	211.3	+0.1	—
Framlington Md Ser B	289.3	299.5	+0.9	—
Gartmore Mngd Ser B	218.3	229.8	+0.5	—
Gartmore Euro Ser B	142.1	149.6	-0.6	—
Gartmore Global Ser D	—	107.3	+0.2	—
Gartmore HA Ser D	—	117.4	-0.3	—
Gartmore Pacific Ser D	—	140.1	+0.4	—
Henderson Acc Ser D	—	144.1	+0.8	—
Perpetual Mny Ser D	—	148.9	+0.2	—
Framlington Md Ser D	—	153.7	+0.4	—
Gartmore Mngd Ser D	—	182.2	-0.4	—
Gartmore Euro Ser D	—	110.4	-0.4	—
Baring Funds				
Australia	78.3	80.4	—	—
Eastern	221.0	232.7	+0.6	—
European Smlr Cos	144.6	152.3	+0.3	—
Japan Smlr Cos	125.1	131.7	-0.7	—
Managed	149.9	157.8	+0.2	—
NDM Britannia				
European Smaller	125.3	133.9	—	—
US Smlr Co's	125.8	132.5	-0.4	—
Extra Inc	142.8	150.4	-0.5	—
Sth & East Asia Gwth	181.0	189.3	+0.6	—
Gold	30.7	32.4	+0.4	—
Am Growth	264.5	280.6	-1.9	—
Japan Perf	293.3	345.6	+0.7	—
Japan Smlr Cos	200.7	211.3	+1.0	—
UK Income	238.4	251.0	-0.9	—
Prop Shares	152.5	139.5	+0.3	—
Smaller Cos	195.6	205.9	—	—
Mngd Growth	215.4	214.2	-0.4	—
Gilt	72.0	75.8	+0.3	—
Gartmore Funds				
American	168.5	178.3	+0.4	—
British	279.3	294.0	-1.9	—
European	173.4	182.6	-0.2	—
Extra Inc	187.7	197.6	+0.3	—
Frontier Markets	117.4	123.6	+0.3	—
Intl Fixed Interest	96.6	101.7	—	—
Gold Int Resources	34.6	37.5	-0.2	—
High Inc	251.2	264.4	-0.1	—
Hong Kong	176.3	185.6	+1.4	—
Income	324.3	341.4	-0.3	—
Japan	313.3	329.8	-0.8	—
UK Smlr Cos	302.2	318.2	—	—
Man Gilt	334.7	352.4	-0.7	—
Global Inc & Gwth	126.0	132.7	—	—
Worldwide Recovery	106.1	111.7	-0.2	—
European Select Opps	127.5	134.3	-0.7	—
Pacific Growth	157.7	166.0	+0.9	—

Royal Liver Assurance
Royal Liver Building, Liverpool, L3 1HT — 051 236 1451

	Bid Price	Offer Price	+ or −	Yield Gross
UK Equity	65.0	68.4	—	—
Global Equity	44.0	46.3	—	—
High Yield	50.7	58.6	—	—
Intl Equity	58.2	61.3	—	—
Fixed Interest	59.8	62.9	—	—
Money	59.8	62.9	—	—
Managed	62.5	65.0	—	—
Property	67.9	71.3	—	—
Global Equity	40.7	42.8	—	—
High Yield	56.4	59.4	—	—
Intl Equity	59.5	62.6	—	—
Fixed Interest	68.4	72.0	—	—
Money	78.7	82.0	—	—
Managed	66.6	70.1	—	—
The Bonded				
7Ausmaster	47.2	49.71	—	—

Save & Prosper Group (z)
15-22 Western Rd, Romford RM1 3LS — 0708-766966

	Bid Price	Offer Price	+ or −	Yield Gross
Bal Inv Fd	578.1	611.8	+0.1	—
Deposit Fd	515.8	334.2	—	—
Directors' Portfolio	61.1	64.7	-0.1	—
Gilt Fd	386.1	408.6	-0.5	—
Global Equity Fd	174.7	184.9	-0.3	—
Property Fd	62.4	66.0	—	—
Sterling Pens Fd	163.5	173.1	-0.3	—
Bilk Pens Fd	104.8	110.9	-0.1	—
High Int Pens Fd	109.2	115.6	+0.1	—
Fixed Int Pens Fd	146.4	155.0	+0.1	—
Man Pens Fd	142.6	151.0	—	—
Prop Pens Fd*	79.6	83.9	—	—
A.E. Bond Fd	147.0	156.2	+0.6	—
Flexible Inv Fd	78.3	82.9	(z)	—
Flexible Pens Fd	65.4	69.2	—	—

*Weekly dealings. *Fortnightly dealings

Scottish Amicable
150 St Vincent St, Glasgow — 041-248 2323

	Bid Price	Offer Price	+ or −	Yield Gross
Life Funds (First Series)				
Managed	350.0	368.5	-0.2	—
Equity	458.8	483.8	-0.9	—
Property	228.4	240.5	—	—
International	194.4	204.7	+0.7	—
Japan	73.5	80.3	+0.2	—
Asia Pacific	45.4	220.5	+0.4	—
European	54.7	59.7	+0.1	—
American	94.3	99.3	+0.1	—
Fixed Interest	274.1	288.6	+0.4	—
Index-Linked Gilt	192.1	202.4	+0.4	—
Cash	198.2	208.7	+0.2	—
Life Funds (Second Series)				
Managed	96.6	101.7	—	—
Equity	77.8	105.0	—	—
Property	96.0	101.0	—	—
International	92.7	97.6	+0.2	—
Japanese	92.0	97.7	+0.2	—
Asia Pacific	92.8	97.7	+0.3	—
European	93.1	98.0	+0.1	—
American	91.4	96.2	+0.4	—
Fixed Interest	102.2	107.6	+0.1	—
Index-Linked Gilt	96.5	101.6	+0.4	—
Cash	97.3	102.7	+0.1	—
Pension Funds				
Building Society	151.5	159.5	+0.2	—
Managed (Intl)	216.1	227.5	-0.2	—
Property (Intl)	186.3	196.2	+0.1	—
Equity (Intl)	259.1	272.7	-0.6	—
Equity (Acc)	462.7	487.3	-0.9	—
Property (Intl)	174.6	183.8	—	—
Property (Acc)	274.8	289.2	—	—
International (Intl)	186.7	196.6	+0.4	—
International (Acc)	333.8	351.4	+1.0	—
Fixed Int (Intl)	190.0	200.1	+0.2	—
Fixed Interest (Acc)	339.8	357.7	-0.6	—
Cash (Intl)	148.0	156.7	—	—
Cash (Acc)	266.1	280.2	+0.3	—

Scottish Equitable Life Assce. Soc.
28 St Andrew Sq, Edinburgh — 031-556 9101

	Bid Price	Offer Price	+ or −	Yield Gross
Managed	195.0	205.3	-0.3	—
UK Equity	190.3	200.3	-0.3	—
International	195.2	206.5	+0.4	—
American	168.7	177.6	+1.0	—
European	207.9	217.9	+0.3	—
Japanese	194.1	204.4	+0.1	—
Pacific	229.2	241.3	+1.1	—
Technology	228.1	240.1	+0.2	—
Fixed Interest	143.1	150.6	+0.1	—
Indexed Linked	126.0	132.6	+0.1	—
Foreign Bond(Currency)	170.0	178.9	—	—
Cash	154.91	163.06	+0.095	—
Ethical	103.5	108.9	+0.3	—
Pens Managed	540.5	568.9	+1.6	—
Pens UK Equity	632.2	665.5	+1.2	—
Pens International	572.8	602.9	+1.6	—
Pens American	167.8	175.7	+0.1	—
Pens Japan	224.2	236.0	+0.2	—
Pens Pacific	237.8	250.3	+1.2	—
Pens Pacific	232.7	244.9	+1.0	—
Pens Fixed Interest	264.1	273.0	-0.2	—
Pens Index Linked	156.2	164.4	—	—
Pens Cash	218.631	230.191	+0.102	—
Pens Property	210.17	221.21	+0.3	—
Pens Ethical	126.7	133.4	+0.5	—
Edinburgh Inv	284.6	299.6	+1.2	—
Baillie Gifford Japan	216.9	228.3	+0.7	—

Scottish Life Investments
19 St Andrew Square, Edinburgh — 031-225 2211

	Bid Price	Offer Price	+ or −	Yield Gross
Property	174.7	184.0	-0.1	—
UK Equity	277.9	292.6	+0.1	—
Overseas Equity	174.3	183.0	+0.1	—
Gilts	236.4	249.0	+0.9	—
Managed	319.0	335.9	-1.6	0.0
Cash	227.0	228.9	+0.3	0.8
Fixed Interest	177.4	186.9	+0.7	—
Index Linked	159.3	168.0	+0.6	—
Deposit	166.9	175.8	+0.1	—
Worldwide	216.2	227.9	-0.2	—
With Profits Pens	71.3	74.9	+0.1	0.0
Pens. Property	95.4	98.0	-0.2	—
Pens. UK Equity	322.0	339.8	+0.2	—
Pens. American	188.5	198.5	+1.8	—
Pens. Pacific	260.3	274.1	+1.2	0
Pens. European	360.8	380.1	+2.2	—
Pens International	246.4	259.5	+0.6	—
Pens. Fixed Int	214.5	225.9	+0.3	—
Pens. Index Linked	201.1	211.8	+0.4	—
Pens. Deposit	213.8	225.2	+0.1	—
Pens. Managed	250.9	264.2	+0.4	—
Pens. Worldwide	94.3	99.4	-0.2	—

Scottish Mutual Assurance Society
109 St Vincent St, Glasgow — 041-248 6321

	Bid Price	Offer Price	+ or −	Yield Gross
Flex End Aug 17	1317.3	1358.1	—	—
Pen Mngd Aug 31	425.8	454.4	—	—

Scottish Mutual Investments
109 St Vincent St, Glasgow — 041-248 6321

	Bid Price	Offer Price	+ or −	Yield Gross
Managed	178.6	188.1	+0.4	—
Growth Fund	179.7	189.2	+0.8	—
Opportunity Fund	176.3	187.7	+0.9	—
Worldwide Opportunities Fd	78.1	83.2	+0.4	—
UK Equity Fund	193.8	206.2	+0.8	—
UK Smaller Cos. Fund	190.4	200.5	+1.6	—
European Fund	249.4	262.5	+0.7	—
Japanese Fund	182.1	191.7	-0.9	—
Japanese Fund	110.3	116.2	—	—
North American Fund	179.2	188.7	+2.5	—
Pacific Basin Fund	208.3	219.5	+0.2	—
Gilts & Fed Int Fund	147.2	155.0	+0.3	—
Index-Linked Fund	140.4	147.8	+0.5	—
Property Fund	148.3	156.2	—	—
Cash Fund	149.8	157.7	—	—
Deposit Fund	202.9	213.6	+0.3	—
Zero Growth Fund	185.7	195.5	+0.7	—
Zero Opportunity Fd	190.1	200.2	+0.8	—
Pos Wrldw Venrs Fd	148.1	153.4	+0.7	—
Pos UK Equity Venrs Fd	145.3	153.0	+0.7	—
Pos UK Smlr Co's Fd	177.5	186.9	+1.6	—
Pos European Fd	216.9	230.5	+1.6	—
Pos Far East Fd	190.1	200.1	+1.2	—
Pos Japanese Fd	100.4	106.7	+0.1	—
Pos Nth American Fd	212.8	224.1	+3.0	—
Pos International Fd	207.5	218.5	+1.3	—
Pos Gilts Fed Int Fd	191.9	202.0	+0.3	—
Pos Index-Linked Fd	142.1	149.6	+0.3	—
Pos Property Fd	134.1	141.2	—	—
Pos Cash Fd	165.8	174.5	+0.1	—
Pos Halifax Fd	184.5	194.3	+0.1	—

Scottish Provident Institution
6 St Andrews Sq, Edinburgh — 031-556 9181

	Bid Price	Offer Price	+ or −	Yield Gross
Managed	203.6	214.7	-0.3	—
Equity	190.2	200.3	-0.1	—
International	206.6	217.6	-0.1	—
Property	203.1	214.0	+0.2	—
Fixed Interest	160.6	171.5	+0.2	—
Index-Linked	142.5	150.1	+0.1	—
Cash	163.0	171.7	+0.1	—
American Performance	159.3	167.8	-0.6	—
Europe Performance	92.3	98.34	-3.1	—
Far East Performance	92.6	97.0	+1.8	—
Pacific Performance	75.3	79.2	+0.6	—
Ster Dep	114.1	120.2	-0.6	—
Pens Managed Ord	240.1	252.9	-0.6	—
Pens Equity Ord	203.3	214.1	-0.2	—
Pens International Ord	235.6	248.1	-0.1	—
Pens Property Ord	248.3	261.5	—	—
Pens Fixed Interest Ord	263.7	277.7	+1.6	—
Pens Index-Linked Ord	153.5	161.7	+0.1	—
Pens Cash Ord	217.8	228.7	—	—
Pens American Perf Ord	151.3	159.3	-0.7	—
Pens European Perf Ord	85.1	89.7	-2.8	—
Pens Far East Perf Ord	99.6	94.5	+3.2	—
Pens Pacific Perf Ord	73.1	77.0	+0.6	—
Pens Blue Chip Ord	113.0	119.0	-0.8	—
Pens Bldg Soc Ord	164.1	172.9	+0.1	—

Scottish Widows' Group
PO Box 902, Edinburgh EH16 5BU — 031-655 6000

	Bid Price	Offer Price	+ or −	Yield Gross
Inv Pol 1 Sept 27	754.3	754.3	-2.2	—
Inv Pol 2 Sept 23	691.9	728.4	-2.1	—
Inv Pol 3 Sept 27	666.7	702.2	-2.0	—
Inv Pol Cash Sep 27	266.4	280.5	+0.5	—
Inv Pol Fixed Int Sep 27	264.7	278.7	+0.5	—
Mixed Fund	164.1	177.1	-1.7	—
Equity Fund	443.1	466.5	-3.3	—
Property Fund	211.9	223.1	—	—
International Fund	317.9	334.5	-1.0	—
Fixed Int. Fund	264.6	283.9	+0.6	—
Index Sec. Fd.	156.9	164.7	+0.1	—
Cash Fd.	144.4	152.0	+0.1	—
Pens. Mixed Fd. Ord.	469.7	494.3	-2.6	—
Pens. Equity Fd. Ord.	594.4	625.8	-3.7	—
Pens. Prop. Fd. Ord.	271.7	286.2	+0.1	—
Pens. Int. Fd. Ord.	432.0	454.9	-1.5	—
Pens. Fxd. Int. Fd. Ord.	381.5	401.7	-1.0	—
Pens Ind. Sec. Fd. Ord.	180.6	190.2	+0.1	—
Pens. Cash Fd. Ord.	285.9	301.0	—	—
PM Mixed	213.3	213.3	-10.2	—
PM Sh Ex	221.8	221.8	-11.5	—
PM Property	258.7	258.7	+0.1	—
PM Pens Protection	147.1	147.1	-0.5	—
PM Pens Deposit	121.3	121.3	+0.1	—

Shield Assurance Ltd
40 Uxbridge Rd, W5 2BS — 081-567 0700

	Bid Price	Offer Price	+ or −	Yield Gross
Garmore Man	100.6	106.9	-0.2	—
Framlington Mngd Life	105.0	110.5	-0.2	—
Henderson Mngd Life	97.5	102.6	-0.1	—
Brunel Life	116.5	122.6	(z)	—
Secure Life	116.3	122.4	—	—
Gartmore Pens Mngd	123.7	132.5	-0.3	—

Skandia Life Assurance Co Ltd (z)
Skandia Hse, Portland Terr, Southampton — 0703 334411
Skandia Price Line 0800 181396

	Bid Price	Offer Price	+ or −	Yield Gross
Skandia Life Managed Funds				
Balanced Managed	289.0	301.8	+0.0	—
Cautious Managed	110.2	115.9	—	—
Deposit	229.3	241.3	—	—
Equity	338.7	356.4	+9.6	—
International	252.2	265.4	+0.4	—
International Bond	99.9	100.1	+0.1	—
Intl Recovery	190.7	200.7	-0.9	—
Gilt Fixed	198.5	208.9	-0.1	—
North American	155.2	163.3	—	—
North European	243.0	255.7	+0.1	—
Pacific	185.1	192.7	+1.1	—
Property	215.3	226.6	+0.1	—
Index-Linked	124.8	131.3	-0.6	—
Euro Index Monitor	110.6	116.4	-0.1	—
Intl Index Monitor	92.7	97.5	+0.3	—
Japan Index Monitor	67.4	70.9	+0.6	—
Tiger Index Monitor	90.0	94.7	+0.2	—
UK Index Monitor	121.9	128.3	-0.7	—

Skandia Life Assurance Co Ltd — Contd.

	Bid Price	Offer Price	+ or −	Yield Gross
Unit Trust Life Managed Funds				
Abbrint Managed	91.9	96.7	+

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SWITZERLAND (SIB RECOGNISED)

OTHER OFFSHORE FUNDS

MANAGED FUNDS NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields %. Allow for all buying expenses. Prices of certain older insurance linked plans subject to capital gains tax on sales. ‡ Distribution free of UK taxes. a Periodic premium insurance plans. b Single premium insurance. c Designated in Luxembourg as a UCITS (Undertakings for Collective Investment in Transferable Securities). x Different price includes all expenses. Dependent agent's commission. e Previous day's price. m Currency gross. f Suspended. s Yield before Jersey tax. t Ex-subdivision. u Only available to charitable bodies. v Yield reduces shown accrued rates of NAV increase. xd ex dividend.

(**) Funds not SIB recognised. The regulatory authorities for these funds are: Guernsey: Financial Services Commission; Ireland: Central Bank of Ireland; Isle of Man: Financial Supervision Commission; Jersey: Commercial Relations Department; Luxembourg: Institut Monétaire Luxembourgeois.

WORLD STOCK MARKETS

US MARKETS (3:00 pm)

September 27	US$	+ or −
AAR Corp	13⅞	+¼
AMP Inc	51¼	...
AMR Corp	58	+⅜
ASA	46⅞	−¼
Abbott Labs	53¾xd	...
Acme Cleveland	6⅛	+⅛
Adobe Res	7⅞	−⅛
Advanced Micro	9⅝	−⅛
Aetna Life	33½	...
Affiliated Publ	8¼	...
Ahmanson (HF)	17⅞	−⅛
Air Prod & Chemical	65⅞xd	+⅛
Alberto-Culver B	22¼	+¼
Albertson's	38½xd	+¼
Alcan Aluminium	19⅝	...
Alco Standard	33½	−½
Alexander & Alex	20¼	−⅛
Alex & Baldwin	25¼	+¼
Allegheny Power	43½	+⅜
Allied Signal	36½	−1
Allstate Crd An	63⅝xd	−⅛
Amax	20½	−¼
Amdahl Corp	13¾	−¼
Amerada Hess	57	−½
Amer Brands	44¾	+⅞
Amer Cyanamid	66⅝	+⅛
Amer El Power	30⅝	...
Amer Express	26½xd	+¼
Amer Family Corp	24⅝	+½
Amer Genl Corp	39⅝	−⅜
Amer Greetings A	35	+⅛
Amer Home Pr	66½	−⅜
Amer International	82⅝	+¼
Amer Natl Ins	33¾	+⅛
Amer Stores	35¾xd	+⅝
Amer T & T	37½	−½
Ameritech	61¾xd	+½
Ames Dept Stores	1.25	−0.13
Ametek Inc	12¼	−⅛
Amoco	50⅞	+⅜
Analog Devices	7¾	...
Anheuser-Busch	52¾	+¼
Aon Corp	36¾xd	+⅜
Apple Computers	49⅞	−⅞
Archer Daniels	25¼	...
Arkla	16	+⅛
Armco	5	+⅛
Armstrong World	33	+⅜
Asarco	27⅞	−⅛
Ashland Oil	29⅞	−⅛
Ashton-Tate	14⅞	−¼
Atlantic Richfield	115⅞	−⅞
Auto Data Pro	33⅞	−¼
Autodesk	50	−¼
Avery Dennison	30⅞	+¼
Avnet Inc	24¼	+⅛
Avon Products	44	+¼
Baltmco Corp	5⅞	−⅛
Baker Hughes Inc	24⅛	−⅛
Ball Corp	35⅞	−⅜
Bally	3.87	−⅛
Baltim Gas & El	31¾	+⅜
Banc One	43¼	...
Bandag	105¾xd	−⅛
BankAmerica	40⅞	...
Bank of Boston	9⅝	−⅛
Bank of New York	30⅝	−⅜
Bankers Trust NY	59⅞xd	+½
Barclays plc ADR	32⅞	...
Barnett Banks Fldrl	30½	−⅛
Battle Mount Gold	6½	...
Bausch & Lomb Inc	46¾	+⅛
Baxter Intl	34	...
Becton Dickinson	67¼	−⅜
Bell Atlantic	45⅞xd	+⅛
Bell Industries	9⅛xd	...
BellSouth	49½xd	−⅛
Belo (A H) A	29⅞	...
Beneficial Corp	65¼	+½
Bethlehem Steel	16⅞	−⅛
Betz Labs	55¼xd	+¼
Beverly Enterprises	9¼	−⅛
Black & Decker	17	...
Block (H&R)	65¾	−⅜
Boeing	50½	−⅛
Boise Cascade	24⅞	−⅜
Borden Inc	32¼	−⅜
Bowater Inc	24	−⅛
Briggs & Stratton	37¼	+¼
Bristol Myers Squibb	81½xd	−1⅛
Brit Airways ADR	31⅝	+¼
BP ADR	70¾	−⅜
Brit Steel ADR	23¼	+⅛
Brit Telecom	68	+¼
Broad Inc	15	−⅛
Brooklyn Union Gas	30⅛xd	+⅛
Brown Forman B	69⅞	+⅛
Brown Group	26⅞xd	+⅛
Brown & Sharpe	8¼	...
Browning Ferris	19½xd	−⅛
Brunswick	11⅞	+⅛
Burlington Nthn	35⅞	+1⅛
C & S/Sovran	28⅞	−⅛
CBI Inds	30¼	+⅛
CBS	158¼	+2½
CMS Energy Corp	19	...
CNA Financial	85¼	−⅜
CPC International	88¼xd	−⅜
CSX	51¼	+⅛
Cabot Corp	33⅞	+⅛
Campbell Soup	73⅞	−1⅛
Can Pacific	13¾xd	+¼
Capital Cities ABC	426xd	+2½
Capital Holdings	44	+1½
Carlisle Cos	35⅞	+¼
Carolina Pwr & Lt	49¼xd	...
Carpenter Tech	49⅞	−⅛
Carter Hawley	1.62	...
Caterpillar	44½	...
Centel Corp	30⅞xd	−⅛
Centerior Energy	17⅞xd	...
Centex Corp	40	...
Central & SW	48½	−⅛
Cetas Corp	18	...
Champion Intl	25⅞	...
Charming Shoppes	21½xd	−⅛
Chase Manhattan	18½	...
Chemical Bkg Corp	25⅞	...
Chevron Corp	72¼	−⅜
Chiquita Brands	24⅞	+⅛
Chris-Craft	26⅞	+⅛
Chrysler	9⅞	−⅛
Chubb Corp	61⅞xd	...
Cigna Corp	44½	+¼
Cincin Milacron	10½	−⅜
Citicorp	14⅞	+⅛
Clark Equipment	23⅞	−⅛
Cleveld Cliffs	31⅞	...
Clorox	40¼	−⅛
Coastal Corp	31⅞	−⅜
Coca Cola	64⅞	−⅛
Coca Cola Ent	13¼xd	−⅛
Colgate Palmolive	42¼	−⅛
Columbia Gas	18⅞	+½
Comcast Corp A	16¼xd	+⅛
Commerce Cl Hse	17xd	+⅛
Comm Satellite	34½	−½
Commonw Edison	40⅞	−½
Compaq Computer	34⅞	+⅜
Computer Ass Int	7⅞	...
Computer Sciences	64⅞	+⅛
Conagra	46⅞	+⅛
Cons Edison	24⅞	...
Cons Freightways	11⅞	−½
Cons Nat Gas	40xd	−½
Cons Paper	39	...
Cons Rail	71¼	+¼
Continental Air	1.62	...
Contl Bank Corp	11	−⅜
Contl Corp	25	...
Control Data	10	+1⅛
Cooper Inds	50¼	−¼
Coors (Adolph)	18⅞	+⅛
Corestates Fiol	43⅞	−⅛
Corning Inc	69⅞	−⅜
Crane	23⅞	−⅛
Cray Research	42½	−⅛
Cross & Trecker	5⅞	+⅛
Crown Cork & Seal	38¼	−⅛
Cummins Engine	37¼	−⅛
Curtiss-Wright	33	+⅛
Cypress Semicond	17¼	+⅛
Cyprus Minerals	20¼	−⅛
DSC Communi	5⅞	−⅛
DQE	28¼	+¼
Dana Corp	30⅞	−⅛
Data General	21⅛	−⅛
Dayton Hudson	73	+1⅛
Deere	54xd	−1⅛
Delmarva Pwr & L	20xd	...
Delta Air Lines	64¾	+⅜
Deluxe Corp	46⅞	−⅛
Detroit Edison	30⅞xd	−⅛
Dial Corp Ariz	37⅛	−⅛
Diebold Inc	47	−⅛
Digital Comms	15¼	−⅛
Digital Equipment	56½	+½
Dillard Dept St	130¼xd	−¼
Disney (Walt)	114⅞	...
Dole Food Inc	43⅞	...
Dominion Res	51¼	+⅜
Donelley (RR) & Sons	44⅞	−⅛
Dover Corp	38¾	−⅛
Dow Chemicals	51¾	−½
Dow Jones	26¼	−⅛
Dravo Corp	9	+⅛
Dresser	19⅞	+⅛
Dreyfus Corp	32⅞	−⅛
Duke Power	31¼	+⅜
Dun & Bradstreet	46	−⅛
Du Pont	45	+⅜
E G & G Corp	41¼	−⅛
E-Systems	35	−1½
Eastern Enterprises	25¼	+⅛
Eastman Kodak	42¼	...
Eaton Corp	62⅞	...
Echlin Inc	12xd	...
Emerson Electric	48¼	−⅛
Engelhard Corp	33¼	+⅛
Enron Corp	67½	+⅛
Enserch Corp	16½	−⅛
Entergy Corp	25⅞	+⅛
Ethyl Corp	23⅞	+¼
Exxon	58¼	...
FMC Corp	47¼	+⅛
FPL Group	33½	+⅛
Fedders Corp	7⅞	−⅛
Federal Express	35¼	−⅛
Federal Mogul	14⅞xd	−⅛
Fed Nat Mtge	64¼	+⅛
Federal Paper Brd	25½xd	−2⅛
Fieldcrest Cannon	14⅞	...
Fina Inc A	70¼	...
First Bank Systems	20½	−⅛
First Chicago	25¼	−⅛
First Fid Bancorp	31¼	−⅛
First Interstate	31xd	−½
First Mississippi	8½	−⅛
First Union Rlty	9⅞xd	...
Fleet/Norstar	22⅞	−⅛
Fleetwood Enterp	33¾xd	−⅛
Fleming Cos Okla	34¼	−⅛
Florida Progress	43½	+¼
Fluor Corp	42xd	...
Food Lion A	19xd	+⅛
Food Lion B	19xd	+⅛
Ford Motor	30⅞	−⅛
Foster Wheeler	26¼	−⅛
Freeport McMoran	28½	−⅛
Fund America Cos	65⅞xd	−⅛
GATX Corp	37¼	...
GEICO Corp	195⅞	+⅞
GTE Corp	30½	...
Gallagher (A.J)	19¾xd	+½
Gannett	39⅞	...
Gap Inc Del	42⅞	+½
Gencorp	11¼xd	−⅛
Gen Am Investors	25⅞	...
Gen Cinema	20½xd	...
Gen Dynamics	26¼xd	−2½
Gen Electric	68¼xd	−⅛
Gen Mills	60⅞xd	+¼
Gen Motors	37¼	−⅜
Gen Motors E	47	−⅛
Gen Motors H	18¼	−⅛
Gen Public Utilit	25¼	+⅛
Gen Reinsurance	88¼xd	+⅞
Gen Signal	49	−¼
Genuine Parts	43¼	...
Georgia Pac	56⅞	+⅛
Gerber Products	65¼	+¼
Gillette	40½	...
Golden West Fiol	40¼	...
Goodrich (BF)	45¼	−½
Goodyear Tire	43¼	−⅛
Grace (W&R)	36¼	−⅛
Grainger (WW)	45⅞	+⅛
Great Atl Pac Tea	33⅞	−½
Great Western Fnd	17⅛	...
Grow Group	7¼	...
Grumman Corp	19⅞	−⅛
Gulf States Utl	10½	...
Halliburton	34¼	+⅛
Hanna (M A)	24½	...
Harcourt Brace Jov	0.56	...
Harnischfeger	19⅞xd	...
Harris Corp	22⅞	...
Harsco Corp	28¼xd	...
Hartmax	8⅞	+⅛
Hasbro	29⅞	...
Hecla Mining	10⅞	...
Heinz (HJ)	39⅞xd	...
Helmerich & Payne	23⅞xd	...
Hercules	42	−⅛
Hershey Foods	39⅞	−⅛
Hewlett Packard	49xd	−⅛
Hilton Hotels	40¼	−⅛
Hitachi ADR	78xd	+⅛
Home Depot	54⅞	...
Homestake	14⅞	−⅛
Honeywell	54	+⅞
Hormel (Geo)	21¼xd	...
Household Intl	38xd	...
Houston Inds	39	...
Humana	30½xd	−⅛
IP Timberland	21½	...
ITT Corp	55⅞	−⅛
Illinois Power	21⅞	...
Illinois Tool	66⅞	+⅛
ICI ADR	90⅞	+⅛
Incera Group	108¼	+⅛
INCO	30¼	−⅛
Ingersoll Rand	49⅞	+⅛
Inland Steel	18⅞	−⅛
Intel Corp	42¼	−⅛
Interpublic	19	−⅛
Interlake	3.25	−0.13
IBM	103	−1⅞
Intl Flav & Fr	83¼xd	−⅛
Intl Multifoods	29¼xd	−⅛
Intl Paper	68⅞	−⅛
Interpublic	42⅞	−⅛
InterTAN	25¼	−⅛
James River Va	22¼	...
Jefferson Pilot	50⅞	+⅛
Johnson Controls	33¼	−⅛
Johnson & Johnson	88⅞	−⅞
K Mart	41½	+¼
Kellogg	108	+1½
Kennametal	32⅞	−⅛
Ker-McGee	42	+⅛
KeyCorp	40½xd	−⅛
Kimberly-Clark	89	−½
King World Prods	28½	...
Knight-Ridder	50¼xd	−⅛
Kroger	17⅛	+¼
LSI Logic	7	+⅛
Leggett & Platt	31⅛	+⅛
Lesaudis Natl	28	+⅛
Lilly (Eli)	80	−½
Limited Inc	25¼	+¼
LIN Broadcasting	73¼	−⅛
Lincoln Nat	48⅛	+⅛
Litton	89½	...
Liz Claiborne	43¼xd	−⅛
Lockheed Corp	41¼	+¼
Loews Corp	112	−¼
Lone Star	3.87	...
Long Island Light	23⅞	...
Longs Drug Stores	38	...
Loral Corporation	38⅞	+½
Lotus Dev Corp	32⅞	+1⅛
Louisiana Land	39⅞	−⅛
Louisiana Pacific	43⅞	+⅛
Lowe's Co Inc	33¼xd	+⅛
Lubrizol	46¼	−⅛
MA Comm Inc	6¼	+¼
MCI Common	28⅞	−⅛
Manor Care	20⅞	−⅛
Manuf Hanover	28¼xd	−⅛
Manville Corp	6⅞	+⅛
Mapco Inc	48⅞	+⅛
Marion Merrell	28⅞xd	−⅛
Marriott	16⅞	−⅛
Marsh & McLennan	76½xd	−⅛
Martin Marietta	52¼	−1⅛
Masco Corp	21¼xd	−⅛
Massmutual Corp	26⅞	+⅛
Mattel Inc	31	+⅛
Maxus Energy	8⅞	...
May Dept St	56¼	+⅜
Maytag Corp	10⅞	−⅛
McCaw Cellular	29	+¼
McDermott	17¼	−⅛
McDonalds	35	−¼
McDonnell Douglas	61⅞	−⅛
McGraw Hill	51	+¼
McKesson Corp	37⅞	+1¼
Mead Corp	32	−⅛
Medtronic	71½xd	...
Mellon Bk	33⅞	+1
Melville Corp	47⅞	...
Mentor Graphics	12⅞	...
Mercantile Stores	40⅞	+¼
Merck Inc	129¼	−⅜
Meredith Corp	26¼	...
Merrill Lynch	49⅞	−½
Mesa Ltd Ptnership	2.12	−0.15
Microsoft	87¾	−1½
Millipore	37¼xd	+⅛
Mine Safety Appl	46⅞	−⅛
Minnesota Mine	89⅞	+¼
Mitchell Energy	19⅞	...
Mobil Corp	68⅞	−⅛
Molex Inc	29xd	−⅛
Monarch Machtool	9⅞	...
Monsanto	67¼	+1¼
Morgan (JP)	58⅞xd	−⅛
Morgan Stanley	31¼	...
Morrison-Knudsen	46⅞	+½
Motorola Inc	60⅞	−⅛
Multimedia Inc	24⅞	−⅛
Murphy Oil	34¼	−⅛
Nacco Inds	51	...
Nalco Chemical	33⅞	+⅛
Nashua Corp	26⅞	+⅛
Natl City Corp	37¼	−⅛
Natl Intergroup	15	−⅛
Natl Medical Ent	21⅞	−1⅛
Natl Semiconductors	4.25	−0.13
Natl Service Ind	23¼xd	−¼
NatWest Bank	35¼	...
Navistar Int	2.87	−0.13
NBD Bancorp	42xd	+⅛
NCNB Corp	35½	−½
Network Systems	17⅞	...
Neutrogena Corp	23	−⅛
New England Elec	30⅞	−⅛
NY State El&Gas	27¼	+⅛
NY Times A	22	−⅛
Newmont Mining	36⅞	−⅛
Niag Mohawk	16⅞	...
Nicor Inc	42⅞xd	+¼
Nike B	53⅞	...
Nl Industries	14⅞	+⅛
Noble Affiliates	15¼	−⅛
Nordstrom	45¼	−⅛
Norfolk Southern	53⅞	+⅛
Northeast Utl	22¼	−⅛
Nthn State Power	38¼xd	...
Northrop	53⅞	−⅛
Norwest Corp	32⅞	−⅛
Novo Inds ADR	74¼	...
Nynex Corp	77xd	...
Occidental Pet	23⅞	...
Ogden Corp	18¼	−⅛
Ohio Casualty	44¼	−1¼
Ohio Edison	19⅞	...
Olin Corp	46¼	−⅛
Omnicom Group Inc	28⅞	...
Oneok Inc	13½	+¼
Oracle Systems	13⅞	+⅛
Orix Energy Co	33	...
Oshkosh B'gosh A	30⅞	−⅛
Outboard Marine	16⅞	−⅛
Overseas Ship	18xd	...
Owens Corning	33⅞	−⅛
PNH Group	33⅞xd	+⅛
PNC Financial	39⅞	−⅛
PPG Industries	54⅞	+⅛
PSI Hldgs	17⅞	−⅛
Paccar Inc	47½	−⅛
Pacificorp	23	+⅛
Pac Enterprises	28⅞	...
Pac Gas & Elect	28⅞	...
Pac Telecom	25¼	...
Pac Telesis	41⅞	−⅛
PaineWebber	25⅞	...
Pall Corp	37⅞	−⅛
Panhandle Eastern	12⅞	...
Paramount Commun	37⅞	...
Parker Drilling	7¼	...
Parker Hannifin	26	...
Pathe Comm	2	...
Penn Central	25¼xd	...
Penney (JC)	50⅞xd	...
Pennzoil Per & Lt	47⅞	...
Pennzoil	65⅞	...
People's Energy	25⅞xd	−⅛
Pepsico	28⅞	...
Perkin Elmer	26⅞	−⅛
Petrie Stores	24⅞xd	...
Pfizer	64⅞	−⅛
Phelps Dodge	75⅞	+⅛
Philadel Elec	22⅞	...
Philip Morris	72⅞	+⅛
Phillips Pet	29⅞	...
Phillips-Van Hsn	37⅞	...
Pic'n'Save	19⅞	−⅛
Pinnacle West Cap	15⅞	−½
Pioneer Hi Bred	54xd	...
Pitney Bowes	60⅞	+⅛
Pittston	16¼	+⅛
Polaroid	24⅞	+⅛
Policy Mgt Sys	53⅞	−½
Potlatch Corp	37⅞xd	+⅛
Potomac El Pwr	22⅞	−⅛
Premier Ind	29xd	−½
Price Co	59⅞	+⅛
Primark Corp	13¼	−⅛
Prime Motor Inn	0.34	−0.16
Primerica	35½	+¼
Procter & Gamble	82⅞	...
Promus Cos Inc	26¼	...
Provident Life B	19¼	−⅛
Pub Serv E & G	28	...
Puget Sound Pwr	24⅞	...
Quaker Oats	58½xd	+¼
Quantex Corp	20½	+⅛
Quantum Chemical	14⅞	−⅛
RJR Nabisco	11¼	+¼
Ralston Purina	48¼	−⅛
Rank Organ ADR	15	...
Raychem Corp	29½	−⅛
Raytheon	112	−¼
Reebok Intl	33⅞	+⅛
Reynolds & Rnld A	25¼	+⅛
Reynolds Metals	56⅞	−⅛
Rite Aid Corp	22¼	...
Roadway Services	54	−¼
Rochester Gas&El	20⅞xd	+⅛
Rockwell Intl	26⅞	+⅛
Rohm & Haas	45½	−½
Rohr Industries	22¼	−⅛
Rollins Inc	23¼	...
Rouse	16¼	−⅛
Rowan	7⅞	−⅛
Royal Dutch	80½xd	+⅛
Rubbermaid	55⅞	−⅛
Ruddick	13⅞	...
Russell Corp	29¼	−⅛
Ryder System	17½	+⅛
Rymer Co	6⅞	+¼
SPS Technology	25⅞	+⅛
Safeco Corp	37⅞	+⅛
Safety-Kleen	28¼	−⅛
St Paul Cos	61xd	−⅛
Salomon Inc	24⅞	+⅛
San Diego Gas&El	41⅞	...
Santa Fe S Pac	9	...
Sara Lee Corp	44½	+⅛
Scecorp	45¼xd	−⅛
Schering Plough	55⅞	−⅛
Schlumberger	67¼	+⅛
Scientific Atlanta	15⅞	...
Scott Paper	38⅞	−½
Scripps-Howard	51	...
Sea Containers	21¼	−⅛
Seagate Tech	81¼	...
Seagram	110	+1¼
Sealed Power	12⅞	...
Sears Roebuck	38¼	−⅛
Sec Pacific	32¼	−⅛
Sequa A	56¼xd	...
Service Corp Int	25⅞	−½
Service Master	32⅞xd	−⅛
Shared Medical	22⅞xd	...
Shell Trans	52⅞xd	−⅛
Sherwin Williams	24	...
Shoney's Inc	17¼	...
Sigma Aldrich	40½	...
Skyline Corp	14⅞	...
Smith Intl	10½	+⅛
SmithKline Bchm A	65	...
SmithKline Bchm Eq Uts	56⅞	...
Snap-On-Tools	31¼	...
Sonat	42⅞	+⅛
Sonoco Products	33¼	...
Sony Corp ADR	40¼	−⅛
Southdown	14½	−⅛
Southeast Banking	0.75	...
Southern Co	29⅞	+⅛
South New Eng Tel	31xd	...
Southwest Airlines	24⅞	+⅛
Southwestern Bell	55⅞	+⅛
Spring Inds	35¼	−⅛
Stand Brands Paint	4.62	−0.13
Standard Products	21⅞xd	+⅛
Stanley Works	38⅞	...
Storage Technol	45⅞	...
Stratus Computer	37¼	−⅛
Sun Company	31⅞	...
Sundstrand	31	...
Sun Microsystems	20¼	−⅛
Superior Mining	1.25	...
Suntrust	36⅞	+⅛
Super Valu Stores	25½	−⅛
Symtex Corp	41⅞	−⅛
Sysco Corp	41⅞xd	−⅛
T J X Cos Inc	15¼xd	−⅛
TRW Inc	56⅞	−⅛
Tambrands	50¼	+⅛
Tandem Computers	12⅞	−⅛
Tandy Corp	27¼xd	−⅛
Tektronix	24⅞	+⅛
Telecom Corp	1.25	...
Teledyne	20⅞	−⅛
Telmex ADR	37¼	...
Temple Inland	46	−⅛
Tenneco	37⅞	+⅛
Tesoro Pet	6⅞	...
Texaco	62⅞	−⅛
Texas Instruments	29xd	...
Texas Utilities	30½	...
Textron	34	−1⅛
Thiokol	20½	...
Thomas & Betts	53	...
Tidewater	15⅞	...
Time Warner	83	+⅛
Times-Mirror	30¼xd	...
Timken	26⅞	...
Torchmark	49⅞	+⅛
Tosco Corp	21⅞xd	+⅛
Total Pet N Am	14½	−⅛
Toys R Us	33⅞	...
Transamerica	37¼xd	...
Transco Energy	19	...
Travelers Corp	41	...
Tribune	40¼	+⅛
Tri Continental	26¼xd	...
Trinity Inc Del	27⅞xd	...
TRINOVA Corp	21⅞	...
Triton Energy	43⅞	...
Tyco Labs	38⅞xd	...
Tyler	2.75	−0.25
Tyson Foods	19⅞	...
UAL Corp	126	−2
USG Corp	1.62	−0.13
UST Inc	48⅞	...
USX Marathon	31⅞	...
USX-US Steel	27⅞	...
Unilever NV	83⅞	...
Union Camp	44½	...
Union Carbide	20⅞	...
Union Electric	34⅞	...
Union Pacific	92⅞	...
Unisys Corp	4.07	+0.13
USAIR Group	10⅞	...
USF&G Corp	7¼	...
US Home	0.31	+0.03
US Life	40⅞	...
US Shoe	15⅞xd	...
US Surgical	70	...
US Trust	41⅞	...
US West	35⅞	...
United Technology	44⅞	...
United Telecomm	25	...
Unocal Corp	24⅞	...
Upjohn	46xd	...
VF Corp	34⅞	+⅛
Valero Energy	24⅞	−⅛
Varian Associates	33⅞	...
Variity Corp	20⅞	+⅛
Varnado	27½	−⅛
Vulcan Materials	38½xd	+⅛
Wachovia	57½	−½
Walnoco Oil	5⅞	−½
Walgreen	32½	+¼
Wal-Mart Stores	47⅞	+¼
Wang Labs B	2.62	+0.13
Warner-Lambert	69⅞	+¼
Washington Gas Light	33¼xd	+⅛
Washingt Post B	210xd	...
Waste Management	34⅞	...
Watkins-Johnson	11⅞	...
Weis Markets	30	−¼
Wells Fargo	72⅞xd	−1½
Wendy's Intl	8⅞	...
West N America	6	+⅛
Western Publ	11⅞	−½
Westinghouse El	22¼xd	−½
Westvaco	36⅞	−⅛
Weyerhaeuser	28⅞	−⅛
Whirlpool	39⅞	−⅛
Whitman	12½	−⅛
Willamette Ind	56¼	+⅛
Williams Cos	35	−⅛
Winn Dixie Stores	36	−⅛
Wisconsin Elec Pwr	36¼	+⅛
Woolworth	29¼	+⅛
Worthington Ind	28¼	−⅛
Wrigley (Wm) Jr	62	−⅛
Xerox	60⅞	+¼
Yellow Freight Syst	30¼	−¼
Zenith Electronics	5⅞	−½
Zero Co	14½	−¼

CANADA (3:00 pm)

September 27	Can. $	+ or −
Abitibi	13½	+¼
Agnico Eagle	4.05	−0.25
Air Canada	7⅞	+⅛
Alberta Energy	13¼	...
Alberta Nat Gas	14	...
Alcan Aluminium	22¼	−½
Acer Barrick Res	24¼	−⅛
BCE Inc	43⅞	+¼
Bank of Montreal	37¼	−⅛
Bank Nova Scotia	31½xd	−⅛
Bombardier B	23	...
Bow Valley	15⅞	...
BP Canada Res	13¼xd	+⅛
Bramalea	4.20	−0.25
Brascan A	16¼	...
Breakwater Res	0.22	+0.01
Brit Columbia Tel	19¼	...
Bronco Inc	17¼xd	−⅛
CAE Ind	7⅞	−⅛
CT Financial	19½	...
Canadian Pac	9⅞	...
Cambridge Shoe C	25½	+½
Can Imp Bank	31¼xd	...
Can Marine Energy	0.35	...
Can Occidental	23⅞	+¼
Can Pacific	17¾xd	+⅛
Can Tire A	21¼	+¼
Can Utilities A	19¼	+¼
CanFor	21½	...
Central Capital	1.60	−0.15
Cineplex Odeon	3.90	...
Cominco	20⅞	−¼
Consumers Pack	3.15	−0.13
Cossan Dev	7¼	...
CromX	3.10	...
Denison Mines A	0.55	...
Dofasco	17½xd	+¼
Dominion Textile	6¼	+¼
Domtar	7½	−⅛
Du Pont Can A	36½xd	−⅛
Echo Bay Mines	8¼	−⅛
Emco	5½	−⅛
FPI Ltd	5⅞	−⅛
Four Seasons Hotels	17½	−¼
Galactic Res	0.48	−0.02
Gendis Inds A	23xd	...
Golf Canada Res	8	−⅛
Hawker Sidd Can	23½	−⅛
Hees Intl Bancorp	16	...
Hollinger Inc	11⅞	−⅛
Horsham Corp	9⅞	−⅛
Hudson's Bay Co	34¼	−⅛
Imasco	37¼	−⅛
Imperial Oil	53⅞	−⅛
Inco	35	−½
Interprov Pipe	31	+⅛
Janeock	13½	−⅛
Kerr-Addison Mines	14½	...
Labatt	25¼xd	...
Lac Minerals	8⅞	−⅛
Laidlaw Trans A	12	...
Laidlaw Trans B	11⅞	−⅛
Lassendan	7	...
Lawson Mardon A	9⅞	+⅛
Loblaw Cos	19¼	−⅛
Mackenzie Hunter	13½	...
Macmillan Bloedel	17¼xd	−⅛
Magna Intl A	13¼	+⅛
Maple Leaf Fds	16	+⅛
Maritime Tele&Tel	20xd	...
Metall Mining	10½	...
Minnova	16½	...
Mitel Corp	1	+0.02
Molson Cos A	30⅞	+⅛
Moore Corp	27	+⅛
Natl Bk Canada	11xd	...
Natl Sea Products	4.40	...
Noranda Inc	17	...
Norcen Energy	22⅞	−⅛
Northern Telecom	44⅞	+⅛
Nova	7⅞	−⅛
Newco Well Serv	10	...
Nuwac Oil & Gas	5¼	...
Oshawa A	20	...
PWA Corp	4.35	+0.05
Pagurian A	5⅞	...
Pan Can Pet	27	...
Placer Dome	12⅞	−⅛
Power Corp	15⅞	...
Prov

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WORLD STOCK MARKETS

AMERICA

Dow stays in its current trading range

Wall Street

ONCE AGAIN the stock market showed no inclination to break out of its current trading range, with share prices rising only slightly yesterday morning on the back of lower bond yields and computer buy programs, *writes Patrick Harverson in New York.*

By 1 pm the Dow Jones Industrial Average was up 4.92 at 3,022.14. The more broadly based Standard & Poor's was also a touch firmer, up 1.45 at 387.94 at 1 pm, while the Nasdaq composite of over-the-counter stocks eased 0.14 to 526.80. Turnover on the NYSE was 98m shares by 1 pm, and advances beat out declines by 768 to 578.

Share prices have drifted this week because investors can find few reasons to buy stocks. The economy and the approaching third quarter corporate earnings season remain a worry, and although lower interest rates are making equities look more attractive than other forms of short-term investment, institutions do not appear flush with cash. The only bright spot yesterday was a rise in bond prices, with the benchmark 30-year bond climbing 11/32 to 109 11/32, lowering the yield to 7.848 per cent in the process.

General Dynamics ran into heavy profit-taking, falling $2¼ to $46⅝. The stock has been well-bid all week on expectations of healthy third quarter profits and possible plans for a stock buy-back or dividend increase.

Pinnacle West rose $⅝ to $13, a new 52-week high, after the Arizona-based public services and banking holding company continued its road show across the country. Having visited New York, Pinnacle was due to meet Boston's investment community yesterday, and was expected to tell them that the company would reinstate its common stock dividend in late 1993.

Control Data climbed $1⅜ to $10 after announcing a restructuring plan that will divide the company into three entities. Global Natural rose $⅝ to $8⅝ as the market responded favourably to the news that the company will expand the oil production activities of its joint venture in the Soviet Union.

On the over-the-counter market, several stocks went into a tailspin on warnings of poor third quarter profits. Leading the way down were Medical Imaging, $3¾ lower at $5⅞ after talking of possible charges against earnings in the fourth quarter and losses in the third, Alias Research, down $2¼ at $7½, Weitek, down $1¾ at $6½ and West One Bancorp, $1½ lower at $30.

Going the other way were Genelabs Technologies, up $1⅞ at $11½ in active trading and aided by a buy recommendation from Prudential Securities. The broker sees potential in a Gelabs anti-Aids drug, which could receive approval from the Food and Drug Administration within two to three years. Also firmer was Neurogen, which soared $4⅝ to $11⅞ thanks to positive comments from the broking firm Robertson Stephens.

Canada

TORONTO stocks remained flat in listless midday trade as most participants seemed content to wait until the end of the third quarter. Institutions remained sidelined, having finished last-minute portfolio shifting. The TSE-300 composite index rose 1.4 to 3,386.5. Declining issues led advances by 190 to 176 in volume of 9.4m shares valued at C$101.97m.

The gold sector dipped 65.15 or 1.43 per cent to 4,480.30 on weak precious metal prices. Teck Corp class B fell C$½ to C$18½, American Barrick fell C$½ to C$24½, Lac Minerals eased C$¼ to C$8¾ and Placer Dome by C$¼ to C$12½.

Seagram jumped C$2¼ to C$125¼, led by strength on the Montreal Exchange. The consumer products company continued to climb back from recent profit-taking spurred by Tuesday's news of cost overruns at its Tropicana subsidiary.

Japanese equities await domestic buying initiative

Steven Butler assesses the prospects of the foreign investors who have pushed up the Tokyo market

THE TOKYO stock market has been battered so heavily over the past year that this week's unbroken run of day-to-day rises looked like a rally. In the end, though, the upward momentum fizzled out when traders were faced with the scary prospect of pushing the Nikkei average through the 24,000 level.

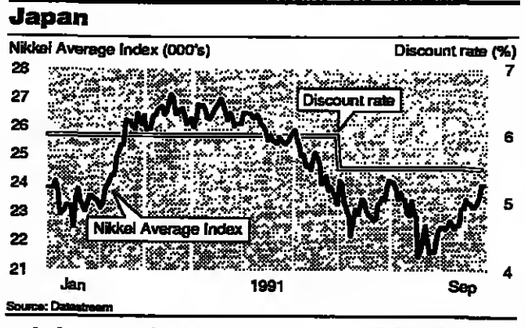
The more positive tone to the market is a reflection, in part, of steadily falling market interest rates, which ought to be reinforced before very long by another half-point cut in the official discount rate to 5 per cent. Yet as foreign investors continue to pile into the market – buying some Y4,500bn ($33.7bn) of Japanese shares in the last year – the question remains: when will domestic investors follow suit?

The steady rise in the Nikkei from the 21,500 area a month ago is unlikely to continue, let alone be maintained, unless Japanese institutions and individual investors shift more cash into equities. in principle this looks possible. Japanese investment trusts are now holding between 30 and 35 per cent of their assets in cash. Yet in practice they are unlikely to steer this cash toward shares.

"Foreigners are betting that there is going to be a shift of money by domestic investors," says Mr Craig Chudler, strategist at UBS Phillips & Drew. "This is a very false perception." Mr Chudler has calculated that, while cash may look abundant, investment trust holdings of equities are near historic highs at close to 50 per cent of assets. The trusts are seriously underweight in bonds, by historical standards, and are having to shell out close to Y500bn a month to investors who are taking their money home at record levels. They do not have cash to propel stock prices forward. Precisely the opposite: the rising market has provided increased opportunities to ditch shares to foreigners willing to pay more.

"There will be great selling pressure when the index reaches 25,000. This is a resistance zone," says Mr Munenori Wakita, first vice-president at Merrill Lynch Japan. The flip side of falling interest rates, which in any case have already been discounted by the market, is a liquidity squeeze, which is causing record levels of bankruptcies – hardly the stuff to push share prices higher.

Japan



The Bank of Japan has not shown any sympathy for the stricken property sector. Industrial and financial corporations, the biggest investors in the market, are cutting capital investment budgets, and profits are falling sharply. While they are not about to liquidate their extensive cross-holdings of shares, they need cash and are almost certain to be net sellers of equities in the next half year or so. "The equity cycle in Japan is driven by the corporate liquidity cycle," says Mr Andrew Ballingal, analyst at Barclays De Zoete Wedd. Corporate liquidity has fallen sharply.

While the factors limiting any short-term rise in the market are pretty well known, there could still be unexpected items of bad news to drag prices down suddenly. Corporate results for the first half of the fiscal year will start to be announced in another month, and many analysts are warning that the results will be much worse than is commonly expected. Mr Ballingal says that profits could be down by as much as 10 per cent on average. Bankruptcies are also mounting at an alarming pace. Even if the pace does not quicken, the capacity of cash-strapped financial institutions to cope with a continuing high volume of bad loans has been stretched to the limit.

Scandal is the most difficult of all factors to anticipate. With tedious regularity, Japan's securities and financial companies have made headlines this year with multi-billion dollar improprieties which have soaked up liquidity and shaken confidence. The biggest question mark now hangs over the poorly regulated non-bank sector.

In spite all of this, the foreign investors who piled into the market over the summer did not necessarily get their timing wrong. The downside risk for an investor who entered the market at 21,500 is probably small. It is widely assumed that the government would take action to support the market should it fall below that level on a sustained basis, because of the severe liquidity problems that would result.

Even if the government's powers are limited, the belief itself helps to sustain price levels. Moreover – and this is why foreigners with cash and patience have bought equities – a light at the end of the tunnel is plainly visible, even if the tunnel is very long.

The speculative excesses in property and financial assets are being squeezed out. Corporate profits should begin to recover, although perhaps not for another year. The value of Japanese company share prices is no longer wildly out of line with other markets in the world, where share prices are near record highs. Japanese equity prices have fallen by roughly 50 per cent relative to prices in London and New York after hitting peaks in 1988.

Eventually the liquidity squeeze will be over and Japan will return to a healthier path of economic growth. Some time between now and then, Japanese investors are likely to have a change in sentiment – and have the cash to move the market, as well. When that happens, it will be no bad thing to be well invested in Tokyo.

EUROPE

France the exception as most bourses show declines

BOURSES were mostly weaker, with the exception of France, *writes Our Markets Staff.*

PARIS closed below its day's high. The CAC 40 index rose to 1,888.14, before closing at 1,883.80, up 7.31 on the day but barely changed on the week. Turnover was boosted by options-related activity to about FFr2.7bn.

Suez slipped FFr2.10 to FFr319 in active trading of 456,675 shares, extending its weekly loss to 8.9 per cent because of its Zaire links. Paribas fell to a day's low of FFr432 before closing FFr1 down at FFr440, after Thursday's flat half-year profits.

Valeo, the motor components group, dropped FFr17 or 3.1 per cent to FFr534 after Thursday's news of a 48 per cent fall in first-half net profits.

The defence sector was strong, with Matra jumping FFr14.30 or 8 per cent to FFr192.20 and Thomson-CSF, which is to negotiate the sale to Taiwan of 16 frigates worth $4.8bn, rising FFr1.50 to FFr154.50 in heavy volume of 364,000 shares.

Promodès, the retailer, added FFr44 to FFr2,564 on pleasing first-half results.

FRANKFURT digested a fresh warning on inflation from the Bundesbank, and signs of weakness in the machine and manufacturing tool sector. The DAX closed 11.85 lower at 1,608.14 after a fall of 3.58 in the FAZ at mid-session; losses on the week were 0.5 and 0.4 per cent respectively.

Volume rose from DM3.4bn to DM3.8bn. An August drop in tool orders left Thyssen DM3.90 lower at DM228.10. Steels and cars were weak, as IG Metall's wage demands weighed on the sector. Daimler dropped DM8 to DM709.50.

Other themes of the week were reflected in the weakness of Metallgesellschaft at DM444.50, down DM11.60 on the day and DM32.50 on the week. Similarly, Hochtief and Holzmann fell another DM15 to DM1,190 and DM18 to DM1,202, down DM60 and DM58 over five days on worries about the industry's prospects.

ZURICH stayed with insurers, as the Crédit Suisse index eased 0.3 to 514.4, down 1.8 per cent on the week. Yesterday BZW downgraded the market from overweight to neutral.

Swiss Re certificates, SFr6 higher at SFr493, topped the active list. After the close it said that it would acquire a significant stake in fellow insurer, Elvia, which was up SFr30 at SFr3,040. Zurich Insurance bearers closed SFr90 higher at SFr4,220, and Winterthur SFr70 at SFr3,480. Dealers said that the sector had underperformed in recent months.

MILAN was little changed. The Comit index rose 0.20 to 539.59, down 1.9 per cent on the week, in turnover estimated at near Thursday's L850bn.

FT-SE Eurotrack 100 - Sep 27

Hourly changes

Open	10 am	11 am	Noon	1 pm	2 pm	3 pm	Close
1101.46	1101.10	1101.25	1101.88	1101.67	1102.05	1103.46	1104.16

Day's High 1104.36 Day's Low 1100.77

Sep 26	Sep 25	Sep 24	Sep 23	Sep 20
1103.42	1108.34	1110.65	1111.16	1114.51

Base value 1000 (25/10/90).

Fiat, which on Thursday reported a drop of 40 per cent in first half pre-tax profit, rose L2 to L5,220. Mr John Longhurst at James Capel said that while most European volume car manufacturers could expect a recovery in earnings next year, Fiat will be held back by a lack of new models.

Olivetti fell L29 to L2251. After hours, the computer company reported an unexpectedly large first half pre-tax loss.

STOCKHOLM fell for the eighth day on worries about the financial sector and the political situation. The Affärsvärlden General index eased 12.8 to 1,030.0, down 3.9 per cent on the week, in volume of SKr550m after SKr525m.

Electrolux free B shares fell SKr9 to SKr268 in the wake of a short-term recommendation from Kleinwort Benson to take profits in the stock, which has outperformed the market by 11 per cent on a three-month view and 57 per cent over 12 months. However, Kleinwort recommended that investors buy the stock for the long term when it falls below SKr265.

MADRID declined, with the general index down 1.88 at 274.55 for a loss on the week of 0.7 per cent, in turnover of about Pta11bn.

Fecsa, the utility, was suspended after falling Pta14 on Thursday to Pta761 in heavy volume of 1.3m shares. Endesa, the state-controlled utility, announced a tender offer for 25 per cent of Fecsa shares at Pta785 each, which would raise its stake to 40 per cent. Endesa slipped Pta20 to Pta2,700.

Asland was affected by the current weakness in cement shares, falling Pta110 or 4.4 per cent to Pta2,365.

HELSINKI fell to its fourth consecutive low for the year on continued concern about the current wage talks. The Hex index lost fell 6.30 to 860.70, down 4.1 per cent on the week.

ASIA PACIFIC

Mixed performance around Pacific Rim

Tokyo

SHARE PRICES rose initially yesterday on hopes of lower interest rates, but index-linked selling late in the afternoon eroded the gains and the Nikkei average closed only marginally higher, *writes Emiko Terazono in Tokyo.*

The average ended 1.39 up at 23,969.47, for a gain of 3.3 per cent on the week. In the morning, it reached a day's high of 24,157.61 – its first foray above the 24,000 level time since August 2 – as news of a smaller-than-expected rise in consumer prices during September prompted a rally in both the bond and equity markets.

However, profit-taking and index-related selling pushed the index down to a day's low of 23,927.34 in the afternoon.

Volume was unchanged at 500m shares, with foreigners and individuals leading the activity. Gains led losses by 512 to 475, with 152 issues unchanged. The Topix index of all first section stocks fell 1.69 to 1,829.10 and, in London trading, the ISE/Nikkei 50 index rose 1.82 to 1,399.16.

Traders said that buying interest from foreign investors was still strong. Last week, foreigners were net buyers for the 12th consecutive week, buying shares worth Y292.4bn ($2.2bn). This month, foreign investors' net purchases of Japanese shares have risen above the recent record of Y1,081.6bn.

Shipping issues, which had risen recently on prospects of a global recovery in the industry, fell on profit-taking. Hitachi Zosen retreated by Y6 to Y722.

Unitika, the most active issue of the day, rose Y19 to Y582 on reports of a 13 per cent rise to pre-tax profits for the current year.

Issues to be incorporated into the Nikkei average next month were mixed, with Topy Industries gaining Y19 to Y699 and Kumagai Gumi falling Y20 to Y855.

In Osaka, the OSE average rose 213.47 to 26,353.37 on volume of 40m shares, up from Thursday's 33m.

Small-lot buying supported pharmaceutical and textile issues. Ono Pharmacentical advanced Y90 to Y4,560 on the company's development of a medicine to treat nervous disorders resulting from diabetes.

Roundup

OTHER MARKETS in the region were mixed yesterday.

AUSTRALIA was dampened by a profits warning from CSR, the building materials and sugar company. The All Ordinaries index fell 9.9 to 1,558.6, steady on the week. Turnover rose to A$320m from A$237m.

CSR fell 21 cents to A$4.83 after saying that its earnings this fiscal year could drop by 40 per cent to around A$200m. Boral lost 7 cents to A$3.28 in sympathy.

NEW ZEALAND overcame a slow start to end higher on foreign buying. The NZSE-40 share index closed 11.46 firmer at 1,448.94, up 3.3 per cent on the week. Turnover fell to NZ$24.3m from NZ$42.7m.

Telecom was the most notable gainer as it jumped 10 cents to NZ$2.60, its highest close since it was first listed in July.

HONG KONG rose on hopes of a cut in interest rates. The Hang Seng index put on 10.74 to 3,938.72, up 0.7 per cent on the week. Turnover grew to HK$1.09bn from HK$865m.

MANILA shifted its attention back to oil stocks as commercial stocks were sold. The composite index declined 5.98 to 959.33, but was up 5.9 per cent on the week. Turnover fell to 60.9m pesos from 116.9m.

TAIWAN closed firmer in light trading after a weak start. The weighted index edged up 9.17 to 4,851.50, a rise of 4.8 per cent on the week, in turnover of T$19bn from T$32bn.

JAKARTA fell 4.82 to 250.30, down 1.8 per cent on the week, in high turnover of 4.1m shares.

BANGKOK's SET index ended 7.54 lower at 685.51, down 3.8 per cent on the week, in thin turnover of Bt2bn.

BOMBAY rebounded on short covering at the start of the new account. The BSE index jumped 83.12 or 4.7 per cent to 1,870.04, up 2.0 per cent on the week.

SOUTH AFRICA

JOHANNESBURG remained under pressure following the retreat in gold prices and the run of poor company results. The overall share index fell 62 to 3,278, the industrial index dropped 76 to 3,973 and the all-gold index lost 41 to 1,096.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	THURSDAY SEPTEMBER 26 1991								WEDNESDAY SEPTEMBER 26 1991					DOLLAR INDEX		
Figures in parentheses show number of lines of stock	US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	1991 High	1991 Low	Year ago (approx)
Australia (89)	150.99	−0.1	129.17	127.42	132.06	126.39	+0.3	4.79	151.08	129.21	127.25	132.15	126.03	151.89	112.74	135.45
Austria (20)	161.53	+0.2	156.30	153.19	158.79	158.33	+0.0	1.79	161.21	154.98	152.63	158.51	158.31	222.37	154.82	180.37
Belgium (47)	127.53	−0.3	109.11	107.61	111.56	108.82	−0.4	5.45	127.91	108.39	107.73	111.88	109.29	151.20	118.04	127.20
Canada (114)	135.06	−0.2	115.57	113.99	118.16	111.03	−0.2	3.42	135.43	115.83	114.06	118.45	111.25	142.27	126.49	127.58
Denmark (37)	254.14	+0.7	217.42	214.47	222.30	223.80	+0.5	1.57	252.41	215.88	212.61	220.79	222.89	270.56	217.74	234.05
Finland (16)	87.80	−1.1	75.11	74.10	79.80	75.85	−0.9	3.18	88.82	75.96	74.81	77.69	76.32	125.15	87.90	104.54
France (108)	142.75	−0.2	122.12	120.45	124.85	128.36	−0.2	3.46	143.10	122.38	120.52	125.18	128.67	152.26	119.11	126.57
Germany (65)	109.85	−0.8	93.97	92.71	96.08	96.08	−0.8	2.34	110.73	94.70	93.28	96.85	96.85	125.35	94.15	105.67
Hong Kong (55)	163.14	+0.7	139.57	137.67	142.71	162.23	+0.6	4.37	162.07	138.62	136.51	141.78	161.19	169.98	119.62	112.99
Ireland (18)	159.86	−0.1	136.76	134.90	139.83	141.76	+0.0	3.53	160.06	136.91	134.84	140.03	141.82	182.46	132.88	139.61
Italy (77)	71.91	−0.3	61.52	60.69	62.80	67.56	−0.4	3.43	72.15	61.71	60.77	63.11	67.80	88.23	64.76	82.04
Japan (474)	135.34	+0.6	115.79	114.21	118.40	114.21	+1.0	0.74	134.26	114.83	113.09	117.46	113.09	148.97	118.23	111.34
Malaysia (68)	198.61	+0.5	169.91	167.60	173.72	210.08	+0.5	2.64	167.72	169.10	166.53	172.94	209.06	247.78	189.18	186.91
Mexico (18)	1190.04	−0.5	1018.09	1004.25	1040.97	3980.16	−0.4	1.32	1195.55	1022.50	1007.00	1045.78	3994.64	1228.36	534.45	484.77
Netherland (31)	139.24	+0.1	119.12	117.50	121.80	120.47	+0.0	4.48	139.10	118.97	117.17	121.68	120.41	145.73	125.70	128.96
New Zealand (14)	46.07	+1.1	39.42	38.88	40.30	43.35	+2.9	7.02	45.57	38.68	38.39	39.87	42.13	64.64	41.18	55.82
Norway (31)	199.85	+1.1	170.97	168.65	174.82	177.95	+1.0	1.56	167.64	169.04	166.48	172.89	178.25	223.24	178.58	243.92
Singapore (38)	180.05	−0.3	162.59	160.38	166.24	148.14	−0.4	2.40	190.61	163.82	160.55	166.73	148.67	208.25	151.63	148.90
South Africa (61)	248.54	−0.2	212.72	209.82	217.48	168.01	−1.2	3.29	249.24	213.16	209.93	218.01	169.98	258.85	173.00	168.02
Spain (53)	157.50	−0.7	134.74	132.91	137.77	126.84	−0.5	4.25	156.55	135.80	133.55	138.69	127.44	171.12	131.51	130.03
Sweden (25)	191.01	−1.3	163.41	161.19	167.09	172.94	−1.6	2.58	193.54	165.53	163.02	168.30	175.63	204.12	146.60	164.29
Switzerland (58)	92.88	−0.5	79.48	78.38	81.25	84.35	−0.5	2.28	93.39	79.67	78.67	81.70	84.82	100.87	82.17	86.65
United Kingdom (240)	180.85	−0.1	154.72	152.60	158.16	154.72	−0.1	4.79	181.06	154.85	152.49	158.36	154.85	187.44	156.27	150.02
USA (526)	157.14	−0.1	134.43	132.61	137.48	157.14	−0.1	3.10	157.23	134.48	132.44	137.54	157.23	161.02	125.95	121.30
Europe (827)	141.67	−0.3	121.20	119.58	123.93	123.10	−0.3	3.89	142.07	121.51	119.67	124.28	123.44	151.52	125.50	126.82
Nordic (109)	166.50	−0.1	159.55	157.36	163.13	160.11	−0.4	2.03	166.75	159.72	157.30	163.35	160.69	200.81	155.55	174.91
Pacific Basin (718)	135.06	+0.8	118.40	114.82	119.82	115.50	+0.9	1.08	135.04	115.50	113.75	118.13	114.42	145.52	117.89	112.19
Euro-Pacific (1545)	138.63	+0.3	118.60	116.98	121.25	119.32	+0.4	2.22	138.17	118.17	116.37	120.85	118.79	147.66	121.29	118.37
North America (640)	155.71	−0.1	133.21	131.41	136.23	154.01	−0.1	3.11	155.82	133.26	131.26	136.32	154.11	159.66	125.91	121.59
Europe Ex. UK (587)	118.50	−0.4	101.38	100.02	103.68	104.99	−0.4	3.20	118.99	101.77	100.24	104.10	105.44	129.80	103.56	111.87
Pacific Ex. Japan (244)	143.07	+0.3	122.40	120.75	125.18	126.15	+0.5	4.34	142.69	122.04	120.21	124.83	125.54	147.80	111.40	121.42
World Ex. US (1735)	140.30	+0.3	120.03	118.40	122.73	120.48	+0.4	2.28	139.69	119.64	117.83	122.37	120.01	145.18	122.32	119.39
World Ex. UK (2022)	141.51	+0.2	121.06	119.43	123.80	129.68	+0.3	2.31	141.23	120.79	118.87	123.55	129.35	145.77	120.06	116.08
World Ex. So. Af. (2201)	144.25	+0.2	123.41	121.74	126.19	131.74	+0.2	2.57	144.00	123.16	121.30	125.97	131.42	148.66	122.92	118.60
World Ex. Japan (1788)	151.39	−0.1	129.52	127.77	132.45	141.74	−0.1	3.45	151.60	129.65	127.70	132.63	141.93	152.63	126.69	124.31
The World Index (2282)	144.93	+0.2	123.99	122.31	126.78	132.04	+0.2	2.58	144.69	123.75	121.69	126.57	131.75	149.01	123.28	119.10

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LONDON SHARE SERVICE

BRITISH FUNDS

1991 High	1991 Low	Stock	Price £	+ or −	Yield Int.	Yield Red.
"Shorts" (Lives up to Five Years)						
100¼	99⅞	Exch. 11pc 1991	100¼xd		10.99	10.33
99½	96⅝	Treas. 8pc 1991	99½		8.04	10.15
101⅝	100⅛	Treas 12¾pc 1992zz	100⅞		12.64	9.87
100⅛	97⅞	Treas 10pc 1992	99⅞		10.01	9.87
133⅞	125¾	Treas 2pc IL 1992zt	133⅞	+1¼	2.06	7.79
99⅞	95⅛	Treas. 8pc 1992zz	99⅛xd		8.08	9.78
100⅞	98½	Treas 10½pc Cv 1992zt	100⅞		10.47	9.81
96⅞	91⅛	Treas. 3pc 1992	96⅞		3.10	8.04
102⅞	100⅛	Exch. 12¼pc '92	102⅛		12.00	9.67
104⅛	102⅛	Exch 13½pc 1992	103⅞		13.04	9.60
98⅛	94	Treas 8¾pc 1993	98⅛	+⅛	8.40	9.57
100⅞	97⅛	Treas 10pc 1993zt	100⅛xd	+⅛	9.94	9.57
104⅛	102⅛	Treas 12½pc 1993zt	104⅛		11.95	9.58
94⅞	89⅛	Funding 6pc 1993zt	94⅞		6.32	8.84
108⅛	105⅛	Treas 13¼pc 1993zt	107⅞		12.76	9.62
97⅞	92⅞	Treas. 8½pc 1994	97⅛		8.70	9.57
111⅛	108⅛	Treas 14½pc 1994zt	110⅛		13.12	9.56
109	105⅞	Exch 13⅛pc 1994	108⅛xd	−⅛	12.43	9.66
101⅛	96⅛	Treas. 10pc Ln 1994zt	100⅞		9.91	9.61
107⅛	103⅛	Exch. 12⅛pc 1994	107		11.68	9.67
98⅛	93⅛	Treas 9pc 1994zt	98⅛		9.16	9.63
106⅛	102⅛	Treas 12pc 1995	106⅛	−⅛	11.27	9.63
89	82⅛	Exch 3pc Gas 90-95	88⅛xd	+⅛	3.40	7.11
102⅞	96⅞	Exch. 10¼pc 1995	101⅞	−⅛	10.06	9.61
110⅞	105⅞	Treas 12¼pc 1995zt	110⅛	−⅛	11.58	9.70
114⅞	109⅞	Treas. 14pc '96	114⅛	+⅛	12.27	9.87
99⅛	92⅞	Treas. 9pc 1992-96zt	99⅛	+1/32	9.00	9.24
119⅞	115⅞	Treas 15¼pc 1996zt	119⅞xd		12.77	9.90
112⅞	108	Exch 13¼pc 1996zt	112⅞	−⅛	11.79	9.82
Five to Fifteen Years						
101⅞	95⅞	Conversion 10pc 1996	101⅞	−⅛	9.87	9.64
103⅛	97⅛	Do 10pc 1996 B	101⅞	−⅛	10.11	9.65
114⅞	108⅛	Treas 13¼pc 1997zt	113⅞	−⅛	11.65	9.82
103⅞	97⅛	Exch 10½pc 1997	103⅞		10.16	9.84
96⅞	89⅞	Treas 8¼pc 1997zt	96⅞	+⅛	9.09	9.55
123⅞	117	Exch 15pc 1997	122⅞xd	+⅛	12.24	9.94
100⅞	93⅛	Exch. 9¾pc 1998	100⅞		9.72	9.65
88⅞	80⅛	Treas 6¾pc 1995-98zt	88⅛xd		7.65	9.16
128⅞	121⅞	Treas. 13½pc '98zt	128	−⅛	12.11	9.85
111⅞	104⅞	Exch. 12pc 1998	111⅛	−⅛	10.81	9.78
100⅞	92⅞	Treas 9½pc 1999zt	99⅞	−⅛	9.54	9.55
113⅞	105⅞	Exch. 12⅞pc 1999	112⅞	−⅛	10.86	9.78
104⅞	97⅞	Treas. 10½pc 1999	104	−⅛	10.10	9.72
103⅞	95⅛	Conversion 10¼pc 1999	102⅞		9.97	9.72
97⅞	89⅞	Conversion 9pc 2000zt	97	−⅛	9.28	9.51
118⅞	110⅞	Treas. 13pc 2000	118	−⅛	11.02	9.86
103⅞	94⅞	Treas 10pc 2001	102⅞	−⅛	9.78	9.60
119⅞	113⅞	Treas. 14pc '98-01	119⅞		11.75	9.95
101⅞	92⅞	Treas 9¾pc 2002	100⅞	+⅛	9.67	9.61

BRITISH FUNDS – Contd

1991 High	1991 Low	Stock	Price £	+ or −	Yield Int.	Yield Red.
104⅛	94⅞	Treas 10pc 2003	102⅞	+⅛	9.73	9.58
111	102	Treas. 11½pc 2001-04	110⅞xd	−⅛	10.44	9.82
62⅞	53⅞	Funding 3½pc '99-04	61½	+⅛	5.69	9.49
100⅞	90⅛	Conversion 9½pc 2004	99⅞xd	+⅛	9.55	9.56
24⅞	24⅞	Conversion 9½pc 2004 A	24⅞	+⅛	9.54	9.55
100⅞	90⅛	Conversion 9½pc 2005	99⅞xd	+⅛	9.54	9.55
121⅞	111	Treas. 12½pc 2003-05	120⅞	+⅛	10.40	9.62
Over Fifteen Years						
88⅞	79⅞	Treas. 8pc 2002-06	87⅞xd	+⅛	9.11	9.55
115⅞	105⅞	Treas. 11¼pc 2003-07	114⅞	+⅛	10.26	9.61
93⅞	84⅞	Treas 8½pc 2007	92⅞		9.22	9.45
129⅞	118⅞	Treas. 13½pc '04-08	127⅞	+⅛	10.54	9.61
98	88⅞	Treas. 9pc 2008	96⅞	−⅛	9.31	9.39
89⅞	80	Treas 8pc 2009	88		9.09	9.39
97⅞	88⅞	Conv 9pc Ln 2011	96⅞		9.31	9.37
98⅞	91⅞	Cnv. 9pc 2011 A	96⅞		9.51	9.55
66	58⅞	Treas. 5½pc 2008-12	65		8.46	9.34
85⅞	76⅞	Treas. 7¾pc 2012-15	84⅞		9.18	9.40
125⅞	113⅞	Exch. 12pc '13-'17	123⅞		9.71	9.42
Undated						
41⅞	37⅞	Consols 4pc	41⅞	−⅛	9.70	–
37⅞	33⅞	War Loan 3½pc	36⅞	−⅛	9.49	–
60⅞	57⅞	Conv. 3½pc '61 Aft	60⅞xd	−⅛	5.80	–
30⅞	28⅞	Treas. 3pc '66 Aft	30⅞xd	−⅛	9.88	–
26⅞	23⅞	Consols 2½pc	25⅞xd	−⅛	9.66	–
26⅞	23⅞	Treas. 2½pc	25⅞xd	−⅛	9.76	–
Index-Linked						
					(1)	(2)
122⅞	115⅞	Treas. 2pc '94	122⅞	+⅛	2.51	3.51
176⅞	168⅞	Do. 2pc '96	176⅞	+⅛	3.28	3.83
144⅞	137⅞	Do 2½pc '01	144⅞	+⅛	3.84	4.15
140⅞	133	Do. 2½pc '03	140⅞	+⅛	3.90	4.17
142⅞	135	Do. 2pc '06	142⅞	+1½	4.02	4.23
130⅞	124⅞	Do. 2½pc '09	130⅞	+1½	4.03	4.23
134⅞	128⅞	Do. 2½pc '11	134⅞	+1⅞	4.04	4.24
110⅞	105⅞	Do. 2½pc '13	110⅞	+⅛	4.06	4.22
118	113⅞	Do. 2½pc '16	117⅞	+⅛	4.05	4.21
113⅞	109⅞	Do. 2½pc '20	113⅞	+⅛	4.06	4.20
95⅞	91⅞	Do. 2½pc '24	93⅞	+⅛	4.04	4.17

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%. (b) Figures in parentheses show RPI base for indexing, (ie 8 months prior to issue) and have been adjusted to reflect rebasing of RPI to 100 in January 1987. Conversion factor 3.945. RPI for January 1991: 130.2 and for August 1991: 134.1.

INT. BANK AND O'SEAS

1991 High	1991 Low	Stock	Price £	+ or −	Yield Int.	Yield Red.
107⅞	95⅞	African Dv Bk 11¼pc 2010	106⅞	−⅛	10.43	10.30

LONDON SHARE SERVICE

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AMERICANS

1991 High	Low	Stock	Price £	- or +	Div Gross	Cvr	Yld Gr's	P/E
33¼	20⅞	Abbott Laboratories	31½	+¼	$1.00		1.9	
38⅝	25⅞	Allegheny & W 1c	25⅝	-1	30c		7.0	
10¼	6⅝	Amdahl 5c	7⅞	-⅛	10c		0.8	
42¾	25¾	Amer Cyanam 0.55	38¼	+¼	$1.50		2.3	
17⅞	9¼	Amer Express 60c	14½	-⅛	$1.00		4.0	
24½	13¾	American T. & T. $1	21½		$1.32		3.6	
38⅞	32½	Ameritech $1	33⅝	-⅛	$3.40		5.7	
20	12¼	BankAmerica $1.25	23⅞	+⅛	$1.20		3.0	
35⅞	20¼	Bankers N.Y. $1	34½	-⅛	$1.52		8.4	
30½	24¼	Bell Atlantic $1	26⅞		$2.52		5.7	
31¼	25	BellSouth Corp	28⅞	+⅛	$2.76		5.6	
11¼	6⅞	Bethlehem Steel $8	9½	+¼	40c		2.4	
183⅝	104⅝	Boeatar Inc.	139⅝	-1½	$1.20		5.1	
54⅞	37½	CPC Intnl. 25c	51½	-½	$2.00		2.5	
93⅝	42⅝	California Engy	85⅝	-1				
50	28¼	Campbell Soup 15c	44½	-1½	$1.36		1.5	
12⅞	5¼	Case Mechanics $12½	10½	-⅛	$1.20		6.8	
9¼	5¼	Chrysler $6¼	5⅞	-⅛			6.0	
10⅞	5⅞	Citicorp $1	8⅞		$1.40		7.3	
25	21¼	Colgate-Palmolive $1	24½	-⅛	$1.00		2.5	
92⅝	45⅝	Cont'l Bank Corp $4	65⅞	-1			5.4	
21¼	13½	Dana Corp. $1	17½	+⅛	$1.40		5.3	
125⅞	20⅞	Data General	125⅞	+10			–	
22¼	12¼	Dial Corp $1.8	21½	+⅛	$1.40		1.8	
29⅞	20¼	Don & Bradstreet $1	27		$2.16		4.7	
40	24¼	Eaton Corpn. 50c	36½	+½	$2.20			
8½	5¼	Ecolab Inc.	7⅞		7c		5.9	
20¼	14¼	EFL Group 1c	19½	+⅛	$2.40		7.2	
30¼	17¼	Fluor Corp 62½c	24½		32c		0.8	
23¼	13⅞	Ford Motor $1	17½	+⅛	$1.60		3.4	
46½	28¼	Gen. Elect. 63c	39⅞	+½	$2.04		3.0	
56⅝	27⅞	General Nutr Corp $1	56⅝	-9	54c		4.0	
45⅞	20¼	Gillette $1	23⅞	-⅛	62c		1.6	
18⅞	7⅞	Hasbro Inc 50c	17	-⅛	24c		0.8	
39½	21¼	Honeywell 3½	30⅞	-½	$1.50		2.9	
23¼	17⅞	Houston Inds $	22⅞		$2.96		7.8	
77½	55½	IBM Corpn $1	60⅞		$4.84		4.7	
32⅞	18¼	Ingersoll-Rand $2	29⅞		$2.04		2.7	
28⅞	16¼	Lockheed Corp $1	23⅞	+⅛	$2.00		5.0	
2155½	1245⅝	Lowe's 50c	1914⅝	-18	56c		1.7	
18⅞	9⅞	Manuf. Hanover $1	16½	-⅛	$3.28		11.7	
28⅞	10¼	Merrill Lynch $1	28⅞	-⅛	$1.00		2.1	
33½	21¼	Morgan (J.P.) $2½	33½	-⅛	$1.98		3.5	
44⅞	27¼	Morris (Philip)	41⅞	-⅛	$2.10		3.0	
46¼	39	NYNEX $1	44½	-⅛	$4.56		6.1	
69⅞	15⅞	Pac. Agricultural	15⅞					
23⅞	11⅞	Pall Corp. 25c	21⅞	-⅛	n44c		1.2	
46¼	33¼	Pennzoil 83 1/3c	38½	-⅛	$3.00		4.6	
40½	24¼	Quaker Oats $5	33⅞		$1.72		3.0	
41¼	24½	Rep NY Corpn 55	38⅞	-⅛	$1.40		2.1	
17⅞	12¼	Rockwell Intl. $1	13½	-⅛	8c		3.6	
25⅞	12¼	Sears, Roebuck 75c	25⅞	-⅛	$2.00		5.4	
34¼	25⅞	Southwestern Bell $1	31⅞	+⅛	$2.84		5.3	
20¼	14¼	Sun Co. Inc. $1	18⅞	-½	$1.20		5.9	
27⅞	21¼	Tenneco $5	21½	-⅛	$3.20		8.3	
40½	29¼	Texaco 56 25	36½	-⅛	$3.20		5.2	
26⅞	15⅞	Texas Instr. $1	20⅞	-½	72c		2.2	
64½	37⅞	Time Warner $1	47½	-⅛	$1.60		1.2	
16⅞	8⅞	TRINOVA Corp	12½	-⅛	68c		3.2	
538⅞	250⅞	UNILab	512⅞					
29⅞	22¼	Utd Technologies	25⅞	-½	$1.80		4.1	
92⅞	42⅞	UNIMAX Inc.	82⅞					
23	18¼	US West	20⅞	-½	$2.05		6.0	
162⅞	87⅞	Variity Corp	130⅞		$1.30			
24⅞	16⅞	Waste Management $1	21⅞	+⅛	44c		1.2	
2307½	1053⅞	Whirlpool $1	2283⅞	-24	$1.10		2.8	
20¼	13½	Woolworth $3½	16½	-¼	$1.08		3.9	

CANADIANS

1991 High	Low	Stock	Price	- or +	Div Net	Cvr	Yld Gr's	P/E
11⅞	8⅞	Abbot Energy Corp	10½					
147⅞	99⅞	Amer. Barrick Res.	110⅞	-49	8c		0.3	
19⅞	12	Bk. Montreal 1	19⅞		$2.12		5.6	
1015⅞	536⅞	Bk. Nova Scot. 1	999⅞	-8	$1.00		5.1	
839⅞	639⅞	BC Gas 51	827⅞	-12	60c		3.7	
29	17⅞	BCE 1	22⅞	-⅛	$2.56		5.9	
10½	6⅞	Bruncan 1	8⅞	+⅛	$1.04		6.2	
36⅞	9⅞	Breakwater Res.	11⅞	-1	10c			
1725⅞	1180⅞	Can. Imp Bank 1	1590⅞	-10	$1.32		4.2	
11	855⅞	Pacific 1	983⅞	-5	64c		3.6	
36	30	Do. 4pc Deb £100	34		04%		11.8	
335⅞	45⅞	Central Can 'A' 1	89⅞	-2	60c			
483⅞	246⅞	Derlan Inds. 1	337⅞	+7	28c		4.2	
628⅞	370⅞	Echo Bay Mines	452⅞	-18	7.5c		1.0	
191⅞	66⅞	EGO Corp 1	71⅞					
89⅞	35⅞	Granges Expl 1	89⅞	+5				
530⅞	362⅞	Gulf Canada 1	413½	+7½	40c		4.9	
14½	10⅞	Hawker Sid Can	12⅞	-⅛	$1.08		4.3	
2013⅞	876⅞	Hudson's Bay 1	1755⅞	-11	♦80c		2.3	
29⅞	26⅞	Imperial Oil	27½	+⅛	$1.80		5.5	
12⅞	12⅞	Inco 1	13⅞	-⅛	$1.00		2.8	
552⅞	316⅞	Int'l. Corona Corp	358⅞	-12	D20c		2.9	
4⅞	2⅞	Muscocho Explo	3⅞					
484⅞	360⅞	Nova Corp of Alberta	390⅞		52c		6.8	
1091⅞	745⅞	Rio Algom	782⅞	+7	80c		5.2	
1450⅞	1022⅞	Royal Bk. Can 1	1348⅞	+2	$1.16		4.4	
250⅞	197⅞	VIX Gold Inc.	224⅞					
13⅞	3⅞	Tam Pore Tech. Corp	7⅞					
1048⅞	736⅞	Toronto-Dom. Bk 1	903⅞	+14	76c		4.3	
979⅞	719⅞	Trans Can Pipe	833⅞	+7	72c		4.4	

For Variety see Americans

BANKS, HP & LEASING

1991 High	Low	Stock	Price	- or +	Div Net	Cvr	Yld Gr's	P/E
£12½	£9½	ABN Amro Fl5	£12½	-⅛	0.58%		6.9	
189	121	ANZ $1	176	-2	♦038c		1.9	
311	217	Abbey National 10p	302	-2	17.5	3.2	4.3	9.8
188	126	Allied Irish Drl	172	-1	♦g33.7%	5.9	5.7	12.6
65	47	Anglo Irish	52		♦018.6%	2.3	8.0	6.8
60	23	Ansbacher (U.) 10p	39				5.1	
£54⅞	£38⅞	Bancaire Ce Fr100	£53½	-½	♦g016%		2.6	
£18⅞	£12⅞	Banco Bilbao Viz	£17⅞	-⅛	♦029.1%	2.7	4.6	8.1
£30⅞	£21⅞	Banco de Santander	£30⅞		♦028.7%	2.3	4.9	10.6
173⅞	115⅞	Bank Ireland Ir£1	137		♦g11.8%	0.6	7.7	22.4
219⅞	151⅞	Bank Leumi	219					
350	340	Bank Leumi (U.K.)	340		16.0		6.3	
*126	91	Bank ScotLand	118	+1	♦5.1	1.9	5.8	15.1
110	96½	Do. 9¼pc Irrd Pf £1	108⅞	-⅛	9⅞%		8.6	
114½	99½	Do. 9¼pc Irrd Pf £1	113½	-⅛	9⅞%		11.5	
489	327	Barclays £1	461	+4	21.15	0.7	6.1	30.5
12	8	Benchmark 5p	8	+½			19.9	
270	195	Brown Shipley £1	225		8.0	2.2	4.7	
464	313	Cater Allen £1	385		25.0		8.7	
£231⅞	£191⅞	Deutsche Bk DM50	£219⅞	+⅛	028%		2.1	
£10⅞	£7⅞	Dai Ichi KBk Y50	£10⅞	+⅛	017%	3.7	0.4	73.7
£21⅞	£16⅞	Espirito Santo	£20⅞		Q75c	5.1	2.2	8.9
213	89	First Nat. Fin. 10p	104	-9	13.0	1.2		♦16.21
110	60	FRTL 3pc Cv Pf £1	73	-2	6.39%			
1189	867	Fuji Bank Y50	1127	-24	018c	4.0	0.3	70.5
329	223	Gerrard & National	329		20.5		8.3	
235	174	HSBC Hldgs HK$10	222		♦h156c		5.4	
302	204	Hambros 20p	294		12.8	2.1	5.8	10.4
125	90	Do. 7.5pc Cv Pf 11	118		7½%		8.5	
413	353	Joseph (Leo) £1	353		15.05		6.0	
133	110	Kleinwort Benson 20p	125		10.25		10.9	
377	249	Kleinwort Benson Gro	345		16.0		6.2	
571	382	Kyowa Saitama Y50	516	-7	014%		0.6	
408	268	Lloyds £1	398		♦15.3	1.5	5.1	17.1
62	44	Lon. Scot. Bank 10p	51		2.75	1.7	7.2	9.9
269	150	Midland £1	250	-4	♦9.1		1.7	
£113⅞	£32	Mitsubishi Bank Y50	£11½	-⅛	018%	4.0	0.4	69.9
£8⅞	£6⅞	Mitsubishi Fd & Bk Y50	£7½	+⅛	017%	12.4	0.5	16.5
£8½	£6⅞	Mitsui Taiyo Kobe Y50	£7½	-⅛	017%		0.5	
664	507	Mitsui Tst & Bk Y50	594	+13	017%	5.5	0.6	30.1
333	207	Nat Aust. Bk. AS1	329		9Q55c	1.5	7.8	8.3
357½	247	NatWest £1	352	+4	17.5		6.6	
2017½	1450	Ottoman Bank	£1170	-5	Q1100%		0.6	13.6
45	29	Pel Bros. Group	40	+2	0.5	2.6	1.7	25.8
211	147	Royal Bk Scotland	178	-1	8.4	1.4	6.3	14.6
£10⅞	£7⅞	Sanwa Bank Y50	£9½	-⅛	017%		0.4	
948	640	Schroders £1	946		14.0	3.6	2.0	18.8
753	423	Do. 11 NIV	753		14.0	3.6	2.9	14.9
£21⅞	£9⅞	Sec. Pacific $10	£11½	-⅛	Q51.5c		4.8	
413	205	Standard Chartd. £1	378		♦20.0	0.6		
£10½	£7⅞	Sumitomo Bank Y50	£9⅞	+⅛	♦h016%	7.5	0.4	35.3
£7⅞	£5⅞	Sumitomo Tst & Bk Y50	£6⅞	+½	017%		0.6	
165	124	TSB	145	-1	6.4		5.9	
159	112	TSB Bank Dn Ind 1	147		♦008.0	3.8	5.4	5.9
£7⅞	£3⅞	Tokai Bank Y50	£7⅞	-⅛	017%	2.7	0.5	72.9
79⅞	69⅞	Toyo Tst & Bk Y50	71⅞	+⅛	017%	3.4	0.5	55.3
260	230	Union Discount £1	255	-1	35.0	1.7	18.3	0.91
549	314	Warburg (S.G.)	547	-2	16.0	2.4	3.9	13.5
186	109	Do 6pc Cnv Prf £1	185	-1	6%		4.3	
222	128	Westpac SA 1	207	-4	♦052.5c	1.2		6.6
359	263	Wintrust 20p	293	-9	3.6	4.4	8.4	
769	575	Yasuda Tst & Bk Y50	713	-2	017%	3.7	0.5	50.1

Hire Purchase, Leasing, etc.

50	30	CLF Yeoman 50p	30⅞		♦18.9%	3.2	3.1	4.4
57	40	Cambridge Grp 5p	42		♦021.1%	1.0	2.7	7.4
78	53	Castle's (Hldgs) 10p	64		13.8	1.3	3.7	13.8
512	390	Prov. Financial	482⅞		♦23.5	2.0	6.5	10.3
138⅞	70⅞	Reflex Invs. 1p	71	+1	Q56.5%	5.7	3.8	5.8
335	195	Secure Trust Grp. 1p	335	+5	♦10.5	2.6	4.2	12.2
210	140	Woodchester I R20p	192		♦g022%	4.3	2.0	12.8

BEERS, WINES & SPIRITS

662	460	Allied-Lyons	638⅞	-14	18.81	2.1	3.9	14.2
£34⅞	£20⅞	Anheuser-Busch $1	£30⅞	+⅛	Q51.12		2.2	
*1066	882	Bass	1⅞	+9	♦g32.4	2.0	6.3	13.3
179	124	Boddington	176	+1	♦6.0	2.9	5.0	11.6
263	173	Bulmer (H.P.) 5p	235		8.35	1.8	4.2	16.4
143	105	Burtonwood Brewery	142		4.26	1.5	2.5	16.6
245	135	Devenish (J.A.) 5p	235		♦5.3	2.5	3.4	14.7
175	100	Do 4 5pc Cv 2nd Pf	154		4½%			
120	94	Eldridge Pope 'A' 50p	118		♦4.1		4.9	
84	51	Fosters Brewing A$1	70	-1	Q2.6c		4.9	
430	360	Fuller S.T.A. 25c	416		6.1	4.0	1.9	17.4
851	623	Grand Metropo. 50p	811	+7	♦20.4	2.5	3.3	13.9
371	274	Greenalls Group	364		♦10.0	2.9	3.6	11.6
177	132	Gp. 5.95pc Cn Pf £1	175		5.95%		4.5	
490	374	Greene King	487	-1	10.8	3.4	3.0	12.7
1052	717	Guinness	1019	-7	♦18.75	3.1	2.9	15.3
293	194	Do. 5¼pc Cnv Prf £1	281	-3	5.75%		2.0	
£351⅞	£246	Do 8¼pc Cnv Ln	£341½	-2	Q8¼%		2.4	
305	225	Highland Dists. 20p	295	-2	14.8	3.0	2.2	20.3
45	29	Hoskins Brewery 50p	36				2.7	
270	136	Inverness Distillers 10p	254	-4	♦H6.5	2.2	3.4	18.0
666	541	Kirin Brewery Y50	636	-1	Q16%	4.9	0.5	54.7
301½	225	Macallan-Glenlivet	255	-3	♦h0.61	7.5	0.3	54.7
728	520	Mercian Bev 'A' 10p	700		8.0	4.9	1.9	17.7
485	420	Mansfield Brewery	485		12.1	2.9	3.3	21.8
236	185	Marston Thompson	232	-2	4.46	3.1	2.6	16.6
428	357	Matthew Clark	415		14.0	2.4	4.4	13.0
488	390	Merrydown Wine	425		7.0	3.4	2.2	18.2
336	231	Morland	311		♦16.45	3.9	2.6	12.5
425	336	Scott & Bow 20p	415	+2	15.0	2.5	4.8	11.7
£69¼	£43	Seagram	£62⅞	+1	Q52.00		1.9	
254	174	Vaux Group 10p	221	-3	♦8.7b	2.1	5.3	11.3
516	409	Whitbread 'A'	475	+1	16.3	2.4	4.6	11.3
57	21	Wilsons Brewery 5p						
584	399	Wolv. & Dudley			F10.0	3.5	2.3	16.7
475	389	Young Brew 'A' 50p	417		13.0	1.7	3.7	21.1
385	289	Do. Non. V. 50p	383		13.0	1.7	4.5	17.1

BUILDING, TIMBER, ROADS

*260	178	AMEC 50p	221		♦g10.13	1.7	6.2	12.5
*128	92	Do. 6½pc Cn Cv Pf 50p	113	-1	6½%		8.1	
80	60	Abbey	80	+3				
41	16	Allnatt	24	-2				
142	88	Allen 5p	126	-1	4.9	3.2	5.2	8.1
100	32	Alnco Grp	94					
74	17	Anglia Sec 10p	36					
*175	77	Ashtead Group 10p	172		4.13	2.0	3.2	17.8
260	181	Ashwoods 5p	191	-1	♦h4.75	1.8	3.3	♦19.9
121	95	B&MSS 10p	95		4.7	1.9	6.8	10.2
*245½	163	BPB Inds. 50p	179	+1	♦g11.25	0.7	8.4	♦24.9
106	69	Bardgridge Brick	98		3.13	1.9	9.3	16.3
138	34	Bailey (Ben) 10p	38		0.8		3.9	
94	56	Baldwin 10p	73		2.6	3.0	5.1	8.6
93	73	Ball (A.H.) 5p	93	+3	6.75	1.2	9.7	11.6
29	3	Banner Homes 10p	28					
126	29	Barratt Dev. 10p	54		3.21		7.9	

BUILDING, TIMBER, ROADS — Contd

1991 High	Low	Stock	Price	- or +	Div Net	Cvr	Yld Gr's	P/E
195	59	Beazer 10p	117		♦4.0		4.6	
*271½	192	Bellway	245		11.0	1.9	6.0	12.0
19	3	Bellwinch 10p	3					
*351	211½	Berkeley Group	338	-1	M0.5	0.3	1.8	
153	107	Bett Bros. 20p	108		6.4	2.2	7.9	7.5
188	119	Birse Group 10p	155	+1	5.5	2.8	4.7	10.9
122	60	Blackleys 20p	107	-1	4.81	1.9	6.1	11.5
296	198	Blue Circle 50p	266	-3	11.25	1.5	5.8	14.7
156	110	Do 7½pc Cv Rd Pf £1	138	-2	7½%		7.4	
438	338	Boot (Henry) 50p	605		25.0	3.0	5.5	7.9
111	69	Breedon	101	-1	4.6	2.1	6.3	10.2
355	338	B & EA	355		0.5		0.2	
195	93	British Dredging	137	-½	7.4	1.3	5.2	14.5
89	59	Bryant Group	107	-1	4.8	4	6.2	9
68	38	Bucknall 1p	68		4.8	2.7	8.0	5.8
76	67	CALA 5p	70		3.4	4	6.7	9
25	25	CMW Group 5p	81		2.88	3.3	4.7	8.5
2	187	CRH	230		♦033.3%	3.8	3.3	11.3
33	Cakebread Robey 'A'		53		♦3.0	1.1		16.3
17	Candor Group 5p		17		0.9		2.4	
17	Carpe Clarke Gr. 10p		22		♦0.5	2.0	1.0	3.2
95	Costain Group		103		♦g12.25		15.9	
76½	Countryside Props		103		♦4.11	3.1	5.3	8.1
32	Crest Nichol 10p		40		♦7.65	0.9		♦13.3
15	Do 5½pc Cv Rd Pf £1		40		5½%		18.3	
9	Crestas 10p		14		♦1.0			
53	Cussins Prop Grp		60		♦3.75		8.3	
21	Dowlais Tyzac 10p		48	+1	1.0	2.8	3.3	14.2
295	Douglas (Robt. M)		583	-2	♦10.5	3.7	2.8	11.9
11½	Dunton Group 5p		6					
95	E&C 50p		134		8.0	2.0	8.0	7.9
29	Eamond Hldgs 10p		♦0½		1.85	2.2	6.1	9.7
105	Epsom Group 10p		160		6.4	2.4	5.3	10.4
49	Erith		70		3.9	0.9	7.4	20.4
210	Eve Group		234		9.2	3.1	5.8	8.3
73	Evered Bardon		79½		5.6	1.0	10.3	12.9
13½	Explaura LIV 5p		13½					
4	Fairbriar 10p		8		♦1.25	3.6		1.4
2	Finlan Group 10p		3		♦2.2			
98	Freeman Group 10p		98		8.3	1.9	11.6	5.1
71	Galliford 5p		94		4.25	1.9	6.0	11.6
25	Gibbs & Dandy "A"		25					
533	Gleeson (M.J.) 10p		845		♦10.77	7.2	1.7	10.9
153	Grafton Grp		133		♦33.3%	3.8	5.0	7.4
53	Graham Wood		53		5.5	2.8	13.8	3.0
41	Harrison Inds 10p		60		♦3.25	1.4	7.2	12.8
64	Hawtin-Stuart 10p		92		3.0	3.0	4.3	10.1
72	Heaverson 10p		71		♦4.5		8.5	
63	Do 7pc Cnv Cv Pf £1		67		7.0		11.9	
20	Hey & Croft 25p		21					
229	Heywood Williams		387		♦g12.5	1.3	5.4	17.8
100	Do Cnv. Prf.		123		6.75		7.3	
224	Higgs & Hill		224	-4	20.0	1.2	11.9	♦8.91
26	How Group 10p		32	-3	♦3.6	1.1	3.3	7.5
21	Howard Hldgs 10p		14		0.5	1.4	4.3	9.6
78	Hunt Johnson		94	-4	♦g6.0	0.8	8.7	♦33.1
3	Do Warrants		8½	-⅛				
50	Jackson Group 10p		55		3.2	1.2	7.8	13.9
53	Jarvis 5p		54		2.0	1.9	4.9	13.5
549	Kajima Y50		645	-2	Q26%		0.4	
70	Kingston Grp 10p		82½		Q11.0%	5.3	3.4	7.8
630	Lafarge Cop. FF25		£36½		Q54%	2.8	3.9	9.3
254	Laing (John)		287		13.0	1.9	6.0	10.3
213	Do. "A" N/Vtg		288		13.0	1.9	6.0	10.3
173	Latham (J.) £1		180		6.5		4.8	
23	Lawrence (W.)		39		1.5	0.5	3.8	23.5
34	Do 8.5pc Cnv Pf £1		35		8½%		22.3	
39	Lilley 12½p		44½		2.5	2.6	7.5	5.8
118	Lon. & Dyldeldie		124		7.0	3.6	7.5	5.0
108	Lovell (Y. J.)		135	-1	F8.95	3.4	8.8	4.3
229	McAlpine (Alfred)		229	-1	♦g10.3	1.1	6.0	23.3
37	McCarthy & Stone 20p		78	-1	41.0	29.4	1.7	
95	McLaughlin & H.		95		♦11.0	2.6		3.7
130	Manders (Hldgs)		190		7.0	1.9	4.9	13.3
87	Marley		131		6.35	0.5	6.5	♦55.1
82	Marshalls		93		5.0	1.0	7.2	19.1
70	Do. 8½p Cv. Pf. 20p		76		6.5		11.1	
131	Mowlem		118	+2	4.95	2.5	5.6	11.4
80	Clanders (J) 20p		48		16.5	1.6	9.7	16.6
12	Nikkin Grp 10p		15					
210	Norwest (J)		223	+11	♦g21.0	0.7	12.6	10.7
12	NSM 10p		18		0.5		3.7	48.9
68	Needler Group 1p		68		Q10.54	1.8	7.9	7.2
112	Newman-Tonks		167		9.3	1.2	7.4	15.0
41	North Midland Const 10p		41		1.25	3.1	5.3	13.1
187	Persimmon 10p		302		H8.6	2.1	3.8	16.9
22	Phoenix Timber		22		0.5		3.0	
510	Pochin		£9¼		24.0	7.5	3.3	5.3
135	Polypipe 10p		214	-2	3.75		2.4	
186	Prowting 20p		186		5.0	1.4	1.6	27.2
50	Quillgotti 5p		39		41.53	1.9	5.2	13.3
629	RMC		629	+3	♦10.3	2.0	4.1	14.4
142	Raine Inds. 10p		142		♦5.75	2.1	5.4	11.7
67	Ramus		67		11.5			
553	Redland		553		♦g25.0	1.3	6.1	♦15.7
66	Reskel 10p		66		4.3	2.2	8.7	7.0
194	Rugby Group		194	-2	6.45	2.1	4.5	14.5
12	SVP Group 5p		12		0.6	3.7	7.8	5.2
39	Sandell Group 10p		39		♦1.7		8.7	
60	Scherfield-Reeve 10p		60		3.0	2.3	6.7	8.6
85	Sharpe & Fisher		85		4.0	0.4	6.4	
137	Sheffield Insuls. 10p		137		5.5	2.7	5.3	9.2
66	Sheriff Hldgs. 5p		66		♦5.1	1.4	5.9	
69	Sherco Grp		81		5.2	1.8	8.6	8.5
153	Sindall (Wm) 50p		153		6.0

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LEISURE—Contd

1991 High	Low	Stock	Price	+ or -	Div Net	C'vr	Y'ld Gr's	P/E
21½		ABCE Hldgs 5p	4					
12		Barr & W.A.T. 'A'	172		9.75	1.7	7.6	10.6
425		Beaney & Beaney	760	+10	16.4	2.7	2.9	15.2
24½		Border T V	54		2.1	2.5	5.0	10.1
9½		Brent Walker 10p	15	-½	5.0			
2½		Do Ipc Co Cnl Nt Pf £1	4½					
13		Buckingham Int. 10p	28		±2.1	1.8		6.5
185		Compact Int. 20p	356	+1	11.0	2.9	4.1	9.7
134		Capital Radio 2½p	224		5.25	2.9	3.1	14.7
350		Carlton Cntrs 5p	524	+13	±14.1	2.4	3.6	14.7
6		Do. 6.5p Prf 5p	82	+1	6.5		10.6	
168		Cedar Comms. 5p	218	-5	8.4	1.7	5.2	14.6
458		Do. TV	458	+43	28.5	1.2	4.0	27.8
165		Do. Radio 10p	165		±4.8	2.6	3.9	12.5
76		Do. 7.5pc Pf 10p	76		±2.0			
48		Do. Warrants	48	+1	1.0	7.0	3.4	5.2
4		Do. Warrants (Ex 28.4.)	4					
388		Chrysalis 5p	388	+6	88.5	2.5	3.8	14.4
1378		Disney Fr 10	1378	-5				
8		Do. Lds. Ir25p	8	-2	1.7	2.2	28.3	1.3
94		Do. Leisure 10p	94					
47		Do. Warrants 20p	11	-1	1.0	2.7	12.1	3.0
593		Fitness Focus 10p	590		21.0	4.1	4.7	6.9
282		Do. Leisure	274xd	-1	±5.05	2.6	2.5	18.9
253		GWR Group 20p	247		±6.0	3.2		12.9
78		Do. TVA 10p	78		4.1	3.1	7.0	6.1
4		Do. Comm. Ids. 5p	4					
63		Grid	49		3.75	1.2	10.2	11.3
193		Gus Sports	185		5.0	2.9	3.6	12.6
4½		Hardy Media Comc. 1p	2					
46		Hotel Resort Hldgs.	46		±3.2	2.5		3.9
94		Do. Sound 10p	94		1.0	4.2	1.5	28.3
36		Do. Warrants 10p	36		2.0	2.2	7.4	8.6
77		Do. 0½ pc Pf. 50	77		8.25		14.3	
112		Hunting Leisure	112	+1	±9.94		4.7	
384		Do. Unit 10p	384					
171		Do. Warrants	171		5.0	0.5	3.9	
177		Ladbroke Grp 5p	177		5.0	3.0	3.8	11.9
85		Do. Radio Grp 5p	85		±4.5	1.0	±19.8	
93		Do. Hldgs. 10p	93					
184		Lonrho 5p	184xd		½2.9	4.0	3.6	8.9
163		Lucas Ind. 10p	163		9.75		8.0	
185		Do. Warrants	185		5.35	3.0	3.8	11.7
126		Mecca Leisure 10p	126		4.95	2.4	5.2	10.4
78		Do. Warrants	78		4.0	1.7	7.6	10.5
355		Mecca Grp 10p	355		16.3	2.5	3.9	13.1
77		Do. 10.5pc Pf. 50	77		8.25		14.3	
112		Mecca Leisure 10p	112	+1	±9.94		4.7	
80		Do. Warrants	80					
40		Mecca Vision 10p	40					
171		Mecca Group 1p	171		5.0	0.5	3.9	
177		Do. Warrants	177		5.0	3.0	3.8	11.9
175		Mecca Radio Grp 5p	175		±4.5	1.0	±19.8	
102		Do. Radio Hldgs. 1p	102					
184xd		Mecca Group 5p	184xd		½2.9	4.0	3.6	8.9
163		Do. 0½ pc Pf 100p	163		9.75		8.0	
185		Mecca Leisure 10p	185		5.35	3.0	3.8	11.7
126		Do. Warrants	126		4.95	2.4	5.2	10.4
78		Do. Cinema Crosse 10p	78		4.0	1.7	7.6	10.5
355		Do. Cycle	355		±6.3	2.5	3.9	13.1
355		Do. TV 10p	355		±14.38	2.2	3.5	17.4
15½		Do. Wldgs. 10p	15½					
12		Do. Kids 5p	12					
162		Do. Leisure	162		4.85	2.9	4.0	11.4
23		Do. Group 1p	23					
198		Do. Wine & Vine 5p	198		3.5		4.3	2.8
5½		Do. Country Group 5p	5½		±1.0	2.3	6.9	3.1
255		Do. Radio 5p	255					
86		Do. Warrants	86		5.0	2.7	7.9	6.3
129		Do. Wldgs. 5p	129	+2	14.0	1.4	14.9	6.2
32		Do. Entertain 10p	32		3.0	5.9	13.8	11.3
7		Do. 7.4pc Pf 2000 10p	7		7.4		29.9	
234		Mecca Leisure 10p	234		16.0	1.1	8.9	12.4
45		Do. Leisure 20p	45		1.25	3.6	3.7	10.0
93xd		Do. Hotspur	93xd		±1.0			
71		Do. Cons. Hldgs. 10p	71					
11		Do. Fashion 10p	11		0.5		6.1	
235		Do. Leisure Tech 50p	235		19.0	1.9	10.8	6.6
125		Do. Leisure 5p	125		6.75	1.8	7.2	10.1
75		Do. Warrants	75		2.4		4.3	
14		Do. Leisure Lds. £1	14		1.5	1.7	14.3	14.7
0¼		Do. Warrants	0¼					
261		Do. Television	261		12.0	1.9	0.0	8.9
128		Do. Grp 5p	128		8.0	1.3	8.3	12.3

MOTORS, AIRCRAFT TRADES

1991 High	Low	Stock	Price	+ or -	Div Net	C'vr	Y'ld Gr's	P/E
83	50	AB Leisure 10p	72		3.1	4.4	5.7	5.0
£8½	£5½	BAF N.V. F15	£6½	+½				
136	79	General Mtrs Units	109	+2	M£2½%		6.8	
16		Hartwell Group 5p	10		5			
£142	£110	Volkswagen DM50	£122¼	-3	022%	3.3	3.1	9.8
36½	£18½	Volvo AB 'B' Kr25	£33¼	-½	062%		4.2	

Commercial Vehicles

1991 High	Low	Stock	Price	+ or -	Div Net	C'vr	Y'ld Gr's	P/E
208	113	ERF (Hldgs)	206		5.0		3.2	
73	36	Plaxton Grp	65xd		±4.5	1.7	6	7.2

Components

1991 High	Low	Stock	Price	+ or -	Div Net	C'vr	Y'ld Gr's	P/E
470	453	Abbey Panels	470		±3.5	10.8		12.5
140	123	Airflow Streamlines	135		4.0	2.2	4.4	13.0
147	123	Bestwood Sp	128		6.0	3.2	6.3	5.5
196	145	Dowty 50p	152		9.2	1.6	6.1	9.2
183	115	FI Group	177	-1	6.37	3.0	4.8	8.8
171	69	Guest, Keen & Nettlefolds	164		±2.75	4.1	2.3	13.5
173	122½	Lucas Inds	145	-3	7.0	2.2	6.4	8.2
38	18	Do. Warrants	24½	-1½				
71	47	Mid-States 10p	58		3.0	2.3	7.1	6.5

Garages and Distributors

1991 High	Low	Stock	Price	+ or -	Div Net	C'vr	Y'ld Gr's	P/E
		Do. 10p	28		1.0	3.4	6.7	5.5
133		Do. Motor 20p	133	+3	7.8	1.3	8.0	15.2
137xd		Do. Motor 20p	137xd		7.85	1.9	7.6	9.3
345		Do. Motor Radial	345		11.6	1.2	4.3	26.2
114		Do. Motor Cl 10p	114		3.5	2.9	4.1	10.6
33		Do. Motor Cl 1p	33		1.0		4.3	
95		Do. Motor Cl 5p	95	+2	±3.7	2.0	5.2	11.9
117		Do. Motor Cl 5p	117		5.75	1.7	6.7	11.3
48		Do. Motor Venture 10p	48		4.0	1.6	6.1	12.1
249xd		Do. Rainbow	249xd		±1.25	1.1	6.0	20.3
30xd		Do. Spares	30xd		±3.25			
48		Do. Warrants	48	+1	±1			
58		Do. Wheel Trim	58	+1	±7.0		4	
230		Do. Wheels & Tyres	230	-1	±15.3	0.2		
167		Do. Leisure	167		6.2	1.2	7.7	14.9
26		Malaya Group 10p	26	-2				
182xd		Pendragon	182xd	-1	h5.4	1.6	3.9	16.2
100		Perry Group	100		9.0	1.1	6.8	18.3
67		Quick Group 10p	67		±3.0	2.5		(7.2)
539		Sutton Motor Dep Sp	539	+1	†p6.67	3.0	1.7	24.4
22½		Trimoco 10p	22½		1.4	1.0	8.3	13.3
£119		Do. 11½pc Ln '96	£119		011.5		6.1	
129		Vardy (Reg) 10p	129	+1	3.9	2.6	3.7	14.0

NEWSPAPERS, PUBLISHERS

1991 High	Low	Stock	Price	+ or -	Div Net	C'vr	Y'ld Gr's	P/E
103		Aberdeen Grp	116xd	+13	2.0	1.4	2.6	37.1
*203		Bell (Hldgs) 10p	195		†p6.3	2.4	3.4	16.2
175		Do. Leaf Under	175	+3	6.6	2.1	5.3	12.1
510		Do. (A. & C.)	470xd		13.0	1.0	3.6	36.5
593		Do. Group 5p			†16.67	2.7	2.3	17.8
326		Do. Exc. Post	326		11.5	1.2	5.0	22.7
556		Do. Mail 'A' 50p	556		†10.0	2.6	2.7	21.0
261		Do. 'B'	261	+1	6.9	2.7	3.6	17.5
413		Do. Pubs 5p	413		18.5	1.5	6.3	14.9
138		Do. Fact 5p	138		3.85	2.1	3.9	14.5
*112½		Do. D.C. 5p	112	+2	†5.75	1.6	8.5	8.0
178		Do. Pub 20p	178		2.5		6.2	
130		Do. Book Publ 10p	130		12.5	2.6	2.6	18.6
205		Do. Home Counties	205		8.25	2.3	6.4	9.3
230		Independent	230		‡Q7.2	2.1	5.7	13.9
3		Ind. Int. Comms. 10p	3					
286		Johnston Press 10p	286		±5.0	3.5	2.4	16.3
167½		Kemsley Group 10p	167½	-½	13.0	0.1	11.9	
185		Mirror Group 10p	185		†6.9	1.7	5.0	16.0
90xd		Mirror Group	90xd	-1	R6.55	1.7	9.7	8.1
480		News Corp A$0.50	480		Q10.0	3.7	1.0	7.6
189xd		News Int. Spec. Div.	189xd		4.7		3.4	
590		Pearson	590	-2	23.25	1.7	3.9	18.1
353		Reed Int'l & Sund.	353	+3	8.24	2.3	3.1	13.2
128		Reuters Grp 10p	128	+6	†4.88	2.8	5.1	7.5
502		Reed International	474	-4	15.9	1.8	4.2	16.8
		Scotsman Sp			0.8		4.2	
		Sterling Pub. 5p			2.5	1.3	7.9	12.6
715		Thomson Corp	715		27.88	1.8	5.3	19.1
179		Trinity Int Hld 10p	179		8.0	2.6	4.2	11.9
278xd		Wstnd. Newspapers	278xd	+15	†21.0	1.1	6.9	17.0

PAPER, PRINTING, ADVERTISING

1991 High	Low	Stock	Price	+ or -	Div Net	C'vr	Y'ld Gr's	P/E
187	76	AFI Group	118	+1	‡M7.5	0.9	8.8	19.6
71		AGB Television 5p	71		1.0		10.3	
		AGTP Courier 5p	47					
175		Abbott Mid Wicks 5p	175		†7.8	3.0	2.9	13.3
10		Acsis Group	10		‡0.4			
14½		Adam Int'l Grp 5p	14½					
132		Anglo Group 5p	132		†5.85	3.6	3.8	11.4
109		Bowne Int'l Hldgs 10p	109½		‡9.1		10.5	
148		Bristol & Wessex Appleton	148	+8	8.35	2.2	4.0	12.9
85		Bristol Cntrs. 5p	85	+2	8.1	2.5	7.9	6.6
148		Bunzl Design Grp 5p	148		11.5	2.2	5.1	4.0
71		Bunzl Resources 5p	71		4.8	3.1	6.5	6.6
217		Bywater	217	+2	11.75	1.7	7.7	9.3
76		Carlisle Grp	76					
£19½	£13½	Chase Intnl 8%	£14½	+½	056%	2.1	6.2	7.5
95		Chesnut	95	+3	±5.0	1.0	4.2	16.6
168		CMA Group 5p	158		3.2	3.8	2.8	11.6
58		City of London Pt 10p	48		3.09	1.6	8.6	9.8
45		Clarke Hooper 5p	45		4.4		9.0	
342		Clondalkin Group 25p	325		‡M22.9	3.5	1.9	16.1
58		Colour Press 10p	43		2.0	1.6	5.5	13.6
100		Colourgraphic 10p	89	+5	‡6.86	1.1	7.7	10.1
64		Dalgety Can Hldgs 10p	64	+2	1.0	3.2	5.6	7.3
2		Dawson Lodge 1p	2					
189		Dupont (James)	189		2.9	4.5	2.0	12.6
233		Dowes Comms. 10p	55		±1.5			
93		Dotys Group 5p	93		1.45	3.0	3.8	11.9
107		Dunsdale Jenkins 5p	107		4.0		3.7	
219		Eastern Gazette Pf £1	219	-3	08%	0.8	0.9	25.0
59		Fairway (Lon.) 5p	59	-3	3.0	1.5	6.8	13.0
284		Ferguson Intl	284		12.5	1.7	5.9	13.1
129		Fenny Plkt 10p	129		5.2	2.1	5.8	10.4
33		Fitzwilton Group 5p	33					
47		Tech RS 10p	47		±1.5	1.1		●29.0
38		Do. Ind Cv Pf '07 10p	27		84.5		25.0	
33		Gerrs Cross 10p	33	-1	2.0	1.7	8.6	8.6
105		Gibbs Lyons 10p	105		6.0	1.7	10.0	7.7
218		Gold Greenlees T 5p	218		8.3		5.1	
44		Goodhead Group 20p	44		0.5		1.4	
‡100		Gt Nthn March 10p	87		†p6.8	2.7	10.1	4.9
21½		Hunterprint	21½	+½				
2		Hotel Cont. 0.5p	2					
4½		Do. 10p	2					
153		Harris Porter 10p	153		±4.2	2.1	4.2	16.0
6½		Holmfirth Inc 50 01	6½		0.18c		16.4	
495		Lemons Morden A	495	+13	040c		4.1	
80		Lonrho 5p	80		±4.0	2.4		3.5
23½		Do. M 1p	23½	-½	1.25	1.8	7.2	10.2
9		Do. Warrants	9	-2				
276		Mono O'Ferr 10p	276	-5	13.2	1.8	6.5	11.4
64		NMC Grp 12½p	64		3.55	2.1	7.0	7.9
78		Do. 7.75pc Nt Cv Pf 10p	78		7.75		14.8	
121		Offwes Hldgs 20p	121	-4	9.0		10.2	
89		Osborne & Little 5p	89		4.39	2.2	6.5	9.4
355		Osprey Comms.	355		2.7		‡10.3	
74		Perm/Tck Intl. P5p	74	+1	‡R2.2	2.0	2.5	8.6
454		Pinnacle Ltd. FM10	454		‡13½		2.9	
972		RCA "B" Free	972	+3	03%	2.5	3.1	13.2
108		RPS Consult. Grp	108		±2.25	0.1		
161		Reuters 10p	161					
255		St Ives 10p	255		5.0	3.8	2.6	13.3
19		Sevill Cowells	19		d2.0	0.9	14.0	d10.0
133		Shandwick 1p	133		†3.5	3.6	3.8	7.7
46		Shelton Market 10p	46		1.75	2.7	5.1	9.7
348		Smith (David) 5.2.20p	348	-21	9.2	2.2	3.6	14.0
620		Smith (Letts) 1k25p	610	+7	‡28.15	1.7	1.0	10.6
£192½		Do. 9½pc Cp Uns Ln	£192½		09½%		5.1	
275		Stewart—Plus 5p	275xd		‡6.25	2.6	3.0	16.9
16½		Tinsley Robor 5p	16½		1.0	0.6	8.1	27.9
64		Trinick Group	64	-1				
187		Walter Walter 10p	187		‡5.5	0.8	3.9	43.7
55		WTR 5p	55		13.3	3.2	8.0	5.2
84		WPP Group 10p	84	+1				2.3
		Do. Wrnts						
24		De R 25p Cp Prf 10p	24	+1	8.25			
287		Wace Group 20p	287		8.25	2.7	4.1	13.6
85		Do. Rpc Cr Pf	85		8.0		11.2	
283		Waddington (J.)	283		7.9	1.7	5.1	14.9
354		Watmoughs	354		10.25	2.1	3.8	15.4
64		Waverley Comm 5p	64					
51		Westcourt Group 5p	51					12.5
41		Whitley Mackay-Lyons 10p	41		2.0	2.6	6.5	8.0

PROPERTY

1991 High	Low	Stock	Price	+ or -	Div Net	C'vr	Y'ld Gr's	P/E
41		Abacus Grp 5p	2					
100		Allied London 10p	94		3.53	0.5	5.0	‡24.4
95		Do. 5½pc Cn Nt Pf £1	80		5½%		9.6	
43		Bugle St. James 35p	16		£1.6	1.2		‡4.3
90		Davidson Intl	59		†p4.0	0.4		
100		Do. Hldgs 10p	100		6.6	2.1	5.3	12.1
510		Do. (A. & C.)	470xd		13.0	1.0	3.6	36.5
593		Do. Group 5p			†16.67	2.7	2.3	17.8
326		Do. Exc. Post	326		11.5	1.2	5.0	22.7
556		Do. Mail 'A' 50p	556		†10.0	2.6	2.7	21.0
261		Do. 'B'	261	+1	6.9	2.7	3.6	17.5
413		Do. Pubs 5p	413		18.5	1.5	6.3	14.9
138		Do. Fact 5p	138		3.85	2.1	3.9	14.5
*112½		Do. D.C. 5p	112	+2	†5.75	1.6	8.5	8.0
178		Do. Pub 20p	178		2.5		6.2	
130		Do. Book Publ 10p	130		12.5	2.6	2.6	18.6
205		Do. Home Counties	205		8.25	2.3	6.4	9.3
230		Independent	230		‡Q7.2	2.1	5.7	13.9
3		Ind. Int. Comms. 10p	3					
286		Johnston Press 10p	286		±5.0	3.5	2.4	16.3
167½		Kemsley Group 10p	167½	-½	13.0	0.1	11.9	
185		Mirror Group 10p	185		†6.9	1.7	5.0	16.0
90xd		Mirror Group	90xd	-1	R6.55	1.7	9.7	8.1
480		News Corp A$0.50	480		Q10.0	3.7	1.0	7.6
189xd		News Int. Spec. Div.	189xd		4.7		3.4	
590		Pearson	590	-2	23.25	1.7	3.9	18.1
353		Reed Int'l & Sund.	353	+3	8.24	2.3	3.1	13.2
128		Reuters Grp 10p	128	+6	†4.88	2.8	5.1	7.5
502		Reed International	474	-4	15.9	1.8	4.2	16.8
		Scotsman Sp			0.8		4.2	
		Sterling Pub. 5p			2.5	1.3	7.9	12.6
715		Thomson Corp	715		27.88	1.8	5.3	19.1
179		Trinity Int Hld 10p	179		8.0	2.6	4.2	11.9
278xd		Wstnd. Newspapers	278xd	+15	†21.0	1.1	6.9	17.0

PROPERTY—Contd

1991 High	Low	Stock	Price	+ or -	Div Net	C'vr	Y'ld Gr's	P/E
106		Asda Property 20p	86		11.85	0.8	2.8	b1.9
32		BOA Hldgs 10p	23					
48		BRH Group 50p	36		±1.0			
68		Baker Hrrts Sndl 10p	53		2.5	1.8	6.5	11.6
71		Barlows 10p	59		2.45	0.6	6.0	40.1
493		Bilton (Percy)	485		17.44	1.5	4.8	19.2
66		Bolton Grp. 5p	62½					
86		Bourne End Prop.	47		2.0		5.7	
150		Bradford Prop. 5p	149		3.7	2.9	3.3	14.1
88		Bredero Props.	65		±2.4	2.7		8.2
94		Brit.Land Grp. 5p	52		3.0	1.2	7.7	14.4
333		British Land	314	-2	5.75	1.7	2.4	29.5
£116		Brit Land 8½pc Cv	£112¼	-2	Q8¼%		7.7	
212		Brixton Estate	207	+1	17.1	1.5	4.6	17.3
48		Burford Hldgs 1p	43½		‡0.85	2.0	2.6	25.1
18		Cabra Ests.	11½		0.1		1.1	
*353		Capital & Counties	247		H10.0	1.8	5.5	10.2
95		Do 5½pc Prf £1	74xd		5.75½%		10.4	
135		Cap. & Reg. Prop.	113		0.9	0.8	1.1	
325		Cardiff Prop 20p	195	-5	2.4	2.5	1.6	32.1
640		Chesterfield	518		18.5	1.5	4.8	18.1
95		Do. 5.25pc Cn Cv Pf £1	76		5.25		9.2	
59		Christie Grp 2p	44					
160		City Site Estates	220		1.92		2.3	
60		Clarke Nickolls	55		‡0.75	1.0	1.8	‡7.0
92		Clayform Props 5p	34		±2.0			
		Do. Warrants	2					
725		Comyn Hldgs 20p	680		12.96		2.9	
35½		Control Secs. 10p	18½		0.7		5.1	
78		County Gen	48					
885		Daejan Hldgs	855		24.0	2.8	3.7	13.8
33		Danbury Grp 10p	33		1.5	06	2.0	20.4
250		Derwent Valley 5p	250		‡6.25		3.3	
130xd		Do. Warrants	130xd		3.75	0.7	3.8	‡54.0
70xd		Do. 6pc Cr. Pf	70xd		6.0		11.4	
140		Dorchester Props	140		2.75	2.0	1.4	5.4
145		Evans of Leeds	145		3.74	1.7	3.4	20.8
70xd		Ewart	70xd		1.0	8.7	1.9	8.1
95		Five Oaks Invs 5p	95		±1.0			
60		Fletcher King 10p	60		2.3	1.6	5.1	13.8
378		Frogmore Est. 50p	378	+4	13.8	2.6	3.6	6
125		Gt Portland Trust	125		5.25	2.0	5.6	11.9
210		Gt. Portland 50p	210	-1	10.0	1.1	6.3	18.6
£106		Do 9½pc Cn Cn 2002	£106	-½	Q9½%		9.0	
95		Green Property Ir25p	95		‡Q8½%	1.7	4.9	16.7
199		Greycoat 10p	199	-1	5.1		3.5	
53		Hambros Dominguez 5p	53		0.05		0.3	
631		Hammerson Ord	631	-3	20.5	1.3	4.3	21.0
78		Hanover Dnce 10p	78					
189		Helical Bar 5p	189		10.0	0.5	7.4	‡52.1
56		Do. 5½pc Pf 2012 £1	56		5½%		12.1	
29		Hemingway Props	29					
189xd		Herring Son & Dav 10p	189xd		±6.5	2.8	4.6	9.7
74		Hill Land Hldgs 10p	66		†Q8¼		9.4	4
		Do. Warrants	7					
250		Hermes Invest.	225		3.0	1.4	1.8	‡47.0
565		Land Securities £1	539	+3	19.75	1.5	4.9	10.2
£97¾		Do. 10pc Ln 08/2011	£95¾	+¼	Q10%		10.4	
£97¾		Do. 10pc 1st Mt Deb 2025	£96¼	+¼	Q10%		10.4	
*808		Do. Land Lease 50p	730		‡Q660c	1.6	3.9	17.6
£97		Lennon 10½pc Deb 2012	£96½		Q10½%		10.6	
83½		Lon & Edn 8½pc Pf 2013	78½		8.88%		15.1	
84		Lon. Merchant	64		3.6	2.1	6.1	10.6
37		Do. Ofd	32					
£90½		Do. 7¼pc Cn 2000-05	£86½	-1	07¼%		9.0	
8½		Ladn & Mtrplitn 5p	6					
20½		Lot. Securities 15p	6½	-1				
53		Do. 8½pc Nt Cv Pf	17	-1	8.25			
556		MEPC	502	-2	19.0	1.5	5.0	16.8
43		Marklewell	28½	+½	4.0		‡8.7	
7		Mclaren 10p	3					
165		McKay Secs 20p	158		6.4	1.8	5.7	13.1
243		Meridian Wndr 5p	148		10.5		‡10.0	4
8		Merlin Intl Props	5					
31		Mickleate Grp. 1p	15		0.5		4.4	
35		Millwalk Ests. 5p	31		0.5		2.2	
38		Moorfield Estate 10p	38		±2.4	1.7		9.2
23		Mountleigh	23	-1	±2.0		12.7	
35		Do. 5.25pc Cn Pf £1	35	-1	5.25%		20.0	
107½		Muswell Ests. 5p	107½		13.0	7.7	1.9	9.3
9½		Mowat Group 10p	9½		±0.5	0.5		51.9
139		Blackfriars (A. & J.)	139	+2	5.64	4	5.5	4
43		New Cavendish S

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FINANCIAL TIMES
Weekend September 28/September 29 1991

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EC in turmoil over plan for political union

David Gardner in Brussels reports on Community anger over a Dutch draft treaty

THE European Community may have to retrace some of its steps if there is to be any hope of agreement on political union at the Maastricht summit in 10 weeks' time, when heads of government meet to decide on a revised Treaty of Rome and on economic and monetary union.

This follows an attack on Thursday by seven member states on proposals by the EC'a current Dutch presidency, which wants to bring new policies on external and internal security into the Community sphere and increase the European parliament'a powers.

The Dutch now look as though they will have to incorporate at least one of the main sections in the draft treaty tabled by Luxembourg, their predecessor in the presidency.

On diplomat said yesterday: "The compromise will have to be the marriage of the two texts, but there are no signs yet of a marriage contract."

A senior UK official went further and said that "a perfectly plausible outcome, and a perfectly satisfactory one, would be to treat [the Dutch draft] as a compendium of useful ideas."

Dissatisfaction with the Dutch draft treaty – outlined at The Hague on Tuesday – came into the open after Thursday's meeting of representatives of the 12 in Brussels. But although the UK, the most reluctant political unionist, found six allies against the plan, the attacks came from several fronts.

In broad terms, Germany and Belgium supported the Dutch text. The UK, Denmark and France were against it, and the rest were in the middle. Italy and Ireland were concerned that the proposals re-opened nearly settled debates close to the summit.

No member state has changed its fundamental position in the negotiations, however, so that Monday's meeting of foreign ministers in Brussels is likely to concentrate on agreeing a mutually acceptable basis on which to negotiate. The Dutch presidency said yesterday it would try on Monday to go back to the substance of the talks before tackling the "theological" issues of structure.

But EC diplomats on all sides said further progress would almost certainly require reverting to the Luxembourg draft's "three pillar" structure. This kept plans for a new common and foreign security policy, and proposals to link the 12's internal security policies on issues from immigration to terrorism, separate from the EC jurisdiction covered by the Treaty of Rome.

The Dutch have re-integrated all these elements in their draft. Although there are sufficient exceptions to retain a dominant role for national governments, the treaty as drafted would give the EC Commission and European parliament a voice in foreign and internal security policy.

Even if this structural issue is resolved, however, big problems remain. Germany has made plain that it will only agree to economic and monetary union (Emu) if the European parliament is strengthened, which opponents would see as a big push towards federalism.

France has little time for the parliament it hosts in Strasbourg, but in exchange for a deal on Emu is likely to go along with the proposal.

The French objection to the structure proposed by the Dutch is not so much that it wants to keep EC institutions out of these areas, as that it sees a better chance of achieving its aims with the structure put forward by Luxembourg. Paris is also angry that the Dutch want to make EC security provisions "complementary" to Nato's, overshadowing its hopes for a separate European defence identity.

While France and Germany can negotiate on the basis of what they want, the UK has defined its position by what it does not want. It therefore has little to trade except the threat to use the ultimate weapon of vetoing the treaty. The UK does not want a unitary treaty leading towards federalism, a leakage of parliamentary sovereignty to Strasbourg, any suggestion of majority voting in foreign policy or involvement in social policy aims.

London's City airport to expand

By John Hunt, Environment Correspondent

LONDON'S City airport is to go ahead with a controversial plan to lengthen its runway for use by BAe 146 "whisper jets".

This will allow the airport to expand its services to cover the whole of Europe and may enable it to break even by 1994 or 1995.

Approval for the plan, given yesterday by Mr Michael Heseltine, the environment secretary, marks a big boost for the hard-pressed airport in London Docklands.

The airport has made an £11m operating loss since it was opened in October 1987. Extension of the runway will cost £7m.

Mr Heseltine and Mr Malcolm Rifkind, transport secretary, also approved the construction of the £75.3m east London river crossing. This will be a box girder bridge – at 1,640 metres the longest in the UK – crossing the Thames at Gallions Reach, just east of City Airport.

In a third decision, Mr Heseltine rejected a proposal for a City of London Heliport on the Thames, near Cannon Street station. He ruled that the noise and visual impact would be too great.

Mr Heseltine recognised that there was a demand for a heliport serving central London and has suggested a study of alternative sites.

The project, costing £15m, was proposed by City of London Heliport, a consortium formed by BAA, Hanson, Midland Bank, Trafalgar House, and the Carroll Group of property companies. The consortium intends to press for an alternative scheme.

London City airport cleared for takeoff ..... Page 4

The airport extension and the bridge are opposed by environmentalists who fear greater airport noise. They also believe that more cars will be attracted to Docklands and east London.

Mr Heseltine, in common with the inspector who conducted the public inquiry into a runway extension, believed that the scheme would assist the regeneration of Docklands and bring benefits to the wider economy.

The previous limitation on runway length meant the airport could only be used by turbo-jets with an operating range of 250 miles. The extension – from 1,030 meters to 1,199 meters – means that the BAe 146, which has a 1,000-mile range, will be able to serve such cities as Zurich, Berlin, Milan, Vienna, Oslo, Madrid and Rome.

Work on the the extension, will start immediately and the runway should be in operation by next April.

The new runway is likely to mean an increase from 40 aircraft movements a day to 130.

Mr William Charnock, managing director at City Airport, was jubilant at the decision. He said the airport, which is owned by the Mowlem Group, served 200,000 passengers a year at the moment. It would break even with 500,000 to 600,000 passengers, a number he felt could be achieved by 1994 or 1995.

Futuristic cars streets ahead of dozing drivers

By John Griffiths in Turin

DOZING off at the wheel of your company car on the motorway as you head home after a hard day doesn't bear thinking about.

In the not-too-distant future you won't have to, according to vehicle manufacturers.

Cars available in the next decade or two will automatically "sense" that drivers are losing alertness by monitoring their behaviour and, using data-processing techniques, will take control of the car.

Technology on show at a Turin exhibition yesterday, grouping the European Community's main car makers, provided an awe-inspiring glimpse into what the industry says is feasible for the end of the decade or early 21st century.

Projects include:

- Advanced sensing systems allowing drivers to "see" through fog, and to make pedestrians visible in unlit streets to a driver up to 400m away, far beyond the range of dipped headlights;
- Collision avoidance systems capable of taking control of the car from the driver in emergencies;
- "Co-operative driving" – Copdrive – in which vehicles continuously exchange information with each other while on the road;
- Computerised and satellite-based commercial vehicle fleet management systems;
- A "neural network" system which uses sensors to monitor driver behaviour and reactions to determine whether he or she is losing alertness.

The systems are the creatures of Prometheus, the collaborative research programme set up in 1986 by the manufacturers, with financial aid from EC governments. The programme aims to improve safety by 30 per cent and traffic flow efficiency by at least 20 per cent by the year 2010, as well as expanding the European industry's technology base to help fend off rising competition from Japan.

Prometheus is an acronym for Programme for European Traffic with Highest Efficiency and Unprecedented Safety. The non-competitive research programme, which involves 18 European car manufacturers, 80 components companies and 124 research institutes, has been spending around Ecu90m (£63m) a year since work started in earnest in 1988-89.

Apart from seeking to reduce deaths and injuries caused by traffic accidents, the industry has produced statistics indicating that Ecu75bn, or 15 per cent of the EC's annual Ecu500bn transport-related spending, is wasted through delays, excess fuel consumption, and other avoidable inefficiencies.

Government officials left Turin yesterday expressing general enthusiasm for the progress being made by Prometheus. However, the industry is unlikely to have real indication of the extent of further legislative and financial support Prometheus might receive until November, when it is on the agenda of a meeting of EC transport ministers.

Kinnock to pose electoral reform option

By Ivo Dawnay, Political Correspondent

MR NEIL KINNOCK will use his Brighton conference address on Tuesday to signal that a Labour government will launch a national debate on the issue of electoral reform.

Senior party leaders have confirmed that the Labour leader's speech is likely to indicate a new openness in the party to the possibility of abandoning the first-past-the-post system for elections to the House of Commons.

While Mr Kinnock is expected to stop short of committing the party to a constitutional convention on electoral systems, he will take care not to rule out any options for a review that could involve experts and other interested parties from well beyond Westminster.

Hattersley plans crime statement ..... Page 4
Moment of truth ..... Page 6

His comments are certain to come under fire from the Tories and the Liberal Democrats as an attempt to reap the electoral benefits of backing reform without giving a definitive commitment to the change.

This week a new opinion poll by the Electoral Reform Society showed that 35 per cent of voters believe Labour would be more likely to win a general election if it backed proportional representation for all elections, including the Commons. Only 8 per cent of voters believed that it would have less chance of victory.

Until recently, Mr Kinnock has remained agnostic on the electoral reform question in spite of mounting pressure from pro-reform lobbyists within the party. But in a party political broadcast this week he claimed he had always supported fixed-term parliaments.

Last year conference overruled a recommendation of the national executive and opted to include discussion of the Commons in the remit of an internal party committee, set up to examine systems for a devolved Scottish assembly, the European parliament and a reformed House of Lords.

The Labour Campaign for Electoral Reform – now the party's largest single lobby group – is urging backing for a conference resolution calling on the leadership "to seize every opportunity to publicise and discuss Labour's new openness to electoral reform".

Opponents say that any public position-changing on the question will be used by the Conservatives to claim that the party no longer believes it can win a general election under the current system.

However, the LCER says that any accusation of opportunism is discredited by the fact that Labour started its debate when it was more than 20 points ahead in the polls. By raising the issue now, it says, Labour is building on its commitments to explore all means possible to broaden democracy.

Books Continued from Page 1

He will consider his position over the weekend but it is likely that he will strike back against Dillons next week with even deeper discounts on books published outside the agreement. W. H. Smith is reviewing its position.

If Reed starts to increase its market share with discounted books, other publishers may soon follow by publishing outside the agreement.

Mr Matthew Evans, chairman of Faber & Faber, said he was honouring the agreement and was involved in the legal action against Dillons, but he did not believe the NBA could survive.

"I think it's the beginning of a very rapid move towards the end," he said.

NBA supporters argue that the agreement serves booksellers and the public by encouraging the stocking of the widest range of books in a large number of independent bookshops.

Mr Maher believes that discounting some titles will attract more people into bookshops where they will then buy more full priced books.

Zaire Continued from Page 1

"They took everything I have earned and worked for in the last 22 years," said a bitter Asian trader. "I will never come back to this hell."

Severe shortages of food and drugs and the destruction of shops and food-processing factories threaten to plunge Kinshasa, a city of 5m-7m people, into famine and disease.

At the huge South African-owned Metro cash-and-carry supermarket in downtown Kinshasa, looters yesterday trawled through open cans, rotting cardboard boxes and burnt debris, looking for scraps of food to carry away.

One boy scraped dirty peaches from the bottom of a rusty can, while another woman scooped up flour from amongst the water-sodden ash.

Three US C-130 Hercules transport planes were due to arrive yesterday evening in the first direct American air operation to evacuate US nationals.

Meanwhile, President Mobutu Sese Seko, remains on his luxury Belgian river-boat, 40km up-river from the capital.

In meetings with the ambassadors of France, Belgium and Ivory Coast over the past 48 hours, he is reported to have downplayed the looming catastrophe, avoiding commitments to reform the economy or install democracy.

There are growing fears that what little law and order remains will break down immediately Belgian and French troops depart. "There is no control over the army," said one Belgian official. "There could easily be civil war, or disintegration, as in Liberia and Somalia, as soon as we leave."

Romania Continued from Page 1

last night re-called those miners who had already left the capital, accusing Mr Iliescu of breaking the agreement and demanding to know why force was used against the miners.

The unrest spread to the coal fields in Maramures, northern Romania, where yesterday more than 25,000 miners downed tools and shouted anti-government slogans.

Earlier in the day, Mr Iliescu met leaders of the country's main political parties with the intention of setting up a broad-based coalition government.

He also met the ruling National Salvation Front, and raised the possibility of holding a snap elections.

In Bucharest last night, many of the miners were wielding pick axes, reminiscent of last year's events, when Mr Iliescu called the miners into the capital to quash anti-government demonstrations.

Yesterday Mr Iliescu blamed Mr Petre Roman, the prime minister, for this week's violence.

CHIEF PRICE CHANGES YESTERDAY

FRANKFURT (Dm)			
Falls			
Colonia Konz	850	–	14
Daimler	709.5	–	8
Laymeyer	860	–	10
Mercedes	546	–	7
Rosenthal	264.8	–	9.2
Springer Axel	560	–	7
New York ($)			
Rises			
Control Data	10	+	1 3/8
Global Nat	8 5/8	+	3/8
Falls			
Atlas Res	7 1/2	+	2 1/4
Gen Dynamics	46 5/8	–	2 1/8
Med Imaging	5 7/8	–	3 3/4
Wellek	8 1/2	–	1 1/4
New York prices at 12.30pm			
Paris (FFrs)			
Rises			
Axa	981	+	22
Cap Gemini	306	+	10
Matra	192.2	+	14.3
Sefimeg	468.5	+	19.4
Falls			
Cofalem	595	–	20
Intertech	890	–	33
Tokyo (Yen)			
Rises			
Daito Wool	790	+	100
Kioritz	889	+	100
Kyosan Cable	819	+	59
Nippon Carbide	755	+	78
Nippon Tetra	1400	+	150
Falls			
Teikoku Sen	597	–	100
New York prices at 12.30pm.			
London (Pence)			
Rises			
AIM Group	161	+	16
Adscene	103	+	13
Armitage Bros	142	+	12
BOC	613	+	20
Ex Co Louis	56	+	14
Glaxo	1354	+	19
Harvey&T'son	166	+	9
Hay (Norman)	38	+	8
Mowlem (J)	223	+	11
Racal Elec	58	+	3 1/2
Scot Cities A	820	+	45
Utd News	413	+	15
Vickers	179	+	10
Falls			
ASDA	55	–	6 1/2
Bilston&Batt	50	–	10
Brit Aerospace	413	–	15
First Nat Fin	104	–	9
How Group	32	–	3
Micro Focus	1878	–	70
Norbain	41	–	5
Reiners	115	–	10
Smith (D S)	348	–	21

WORLDWIDE WEATHER

UK Today: A wet and windy start over much of southern Britain, with some heavy rain. Clearer weather will spread to southern areas of England and Wales, accompanied by blustery showers, the heavier rain moving north to reach Scotland by the afternoon. Outlook: Cooler, with blustery showers.

		°C	°F			°C	°F			°C	°F			°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	S	23	73	Bordeaux	F	15	59	Dallas †	S	12	54	Innsbruck	R	9	48	Moscow	F	23	73	Helsinki		–	–				
Algiers	F	25	77	Boulogne	F	15	59	Dublin	S	11	52	Inverness	R	8	46	Madrid	S	19	66	Naples	F	26	79	Prague	R	14	57
Amsterdam	R	11	52	Bristol	F	15	59	Dubrovnik	C	24	75	Isle of Man	F	14	57	Majorca	S	26	79	Nassau		–	–	Reykjavik	S	9	48
Athens	S	28	82	Brussels	C	12	54	Edinburgh	F	13	55	Istanbul	S	23	73	Malaga	S	25	77	Newcastle	F	11	52	Rhodes	S	29	84
Bahrain	S	33	91	Budapest	F	25	77	Faro	S	24	75	Jersey	R	15	59	Malta	S	27	81	New Delhi	S	33	91	Rio d'Janeiro		–	–
Barcelona	S	21	70	Buenos Aires		–	–	Florence	S	23	73	Johannesburg	C	19	66	Manchester	C	11	52	New York †	S	12	54	Rome	F	25	77
Beirut	S	11	52	Cairo	S	34	93	Frankfurt	R	14	57	Las Palmas	F	27	81	Melbourne	S	12	54	Nice	S	21	70	Salzburg	R	11	52
Belgrade	F	29	84	Cape Town	R	15	59	Geneva	C	12	54	Leeds	R	11	52	Mexico City		–	–	Nicosia	S	29	84	Santiago		–	–
Berlin	C	17	63	Cardiff	C	15	59	Gibraltar	S	24	75	Lisbon	F	21	70	Miami †	F	23	73	Oporto	C	19	66	Seoul	R	19	66
Biarritz	R	14	57	Chicago †	S	2	36	Glasgow	F	12	54	Locarno	F	19	66	Milan	S	23	73	Oslo	S	13	55	Singapore	T	27	81
Birmingham	R	11	52	Cologne	C	12	54	Guernsey	F	15	59	London	C	12	54	Montreal †	S	7	45	Paris	F	15	59	Stockholm	C	8	46
Blackpool	R	10	50	Copenhagen	C	14	57	Helsinki	C	13	55	Los Angeles †	C	19	66	Moscow	S	20	68	Peking	S	24	75	Strasbourg	C	16	61
Bombay	F	29	84	Corfu	S	28	82	Hong Kong	F	30	86	Luxembourg	C	13	55	Munich	F	11	52	Perth	F	19	66	Sydney	C	16	61

		°C	°F
Tangier	S	23	73
Tel Aviv	S	30	86
Toronto	F	24	75
Tokyo	R	24	75
Toronto †	S	5	41
Tunis	F	27	81
Valencia	S	23	73
Venice	S	25	77
Vienna	R	18	64
Warsaw	C	19	66
Washington †	S	11	52
Wellington	C	12	54
Zurich	F	13	55

Temperatures at midday yesterday | Noon GMT temperatures C–Cloudy Dr–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sunny Sl–Sleet Sn–Snow T–Thunder

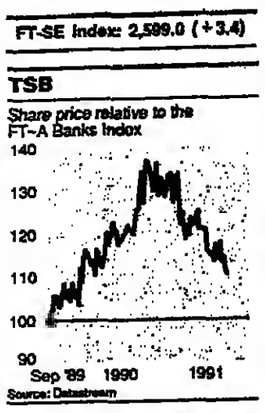
THE LEX COLUMN

NatWest changes its policy

National Westminster has abandoned the moral high ground with its decision to drop its long-standing policy of selling life insurance only through independent advisers. Coming hard on the heels of this week's similar move by Abbey National, its debut in life insurance will send ripples of anxiety through that industry. It spells deepening gloom for the independent brokers' market and the mutuals who rely on them. The banks' encroachment must also worry smaller proprietary companies like Britannic and Refuge.

Remarkably, NatWest reckons to join the ranks of the top 10 life insurers by 1994 for only modest outlay. Perhaps because it has less cash to throw around than Abbey National, it has eschewed acquisition. Its venture with Clerical Medical will provide the necessary expertise and still leave it firmly in control. Abbey National must be wondering why it bothered to splash out £60m in goodwill for Scottish Mutual.

Initially the venture will dilute NatWest earnings marginally. From 1995 onwards it should theoretically generate a growing stream of quality income. The nagging worry is that banking ventures have a habit of ending in tears when the entire industry is bent on the same objective. The ultimate flaw in this case could be the creation of massive overcapacity. Branch networks give the banks a natural advantage in distribution, but life insurance is still labour-intensive. NatWest will have a 3,000-strong sales force devoted to a product under constant challenge from more tax-efficient savings vehicles like PEPs. Perhaps its management is hoping for a Labour government to unwind tax incentives on rival products. Otherwise its insurance salesmen may yet find themselves somewhat short of work.



Water sector

Next Tuesday Ofwat will reveal the price increases that the water companies have asked for next year. What follows will dictate the shape of price regulation up to the industry review in 1995. Ofwat has been aggressive in exploring the limits of its government licence, but it has yet to establish how its rules will work in the longer term. If it takes too tough a stance during the good times, consistency would suggest that the companies will be allowed to pass on costs to customers when the operating environment is less friendly later on.

Of the 10 companies, South West may be allowed to raise its prices by more than the agreed inflation-linked formula, since it has to spend extra cash on anti-pollution measures. One other company is believed to have claimed its maximum allowable price increase. The remaining eight have apparently all volunteered to raise prices by less than they might.

The question is whether Ofwat agrees that the proposed reductions are sufficient to offset the unexpected profitability of the businesses. If not, it can initiate a formal price review and claw back a share of profits. Current yields are discounting that possibility for a few of the companies, but not the further possibility that dividend payments might be restricted as well. Those least at risk seem to be Anglian, Thames, Wessex and Yorkshire.

TSB

What once looked like a big day for TSB looks set to pass almost unnoticed. As of tomorrow, the 5 per cent limit on ownership is lifted, which in normal circumstances might open the door to a bid. After all, TSB has a thriving retail banking and insurance business. Despite what have sometimes seemed like best efforts to lose money since its flotation in 1986, its capital is still considerably in excess of internationally agreed requirements. Though it is making a loss at the moment, earnings should recover as bad debt provisions diminish with the end of the recession.

That a bid in fact looks unlikely is due only partly to lingering problems at Hill Samuel. A more important reason may be relevant to the bank industry generally. With b[illegible] in many countries strug[illegible] to meet the new internat[illegible] capital requirements, few [illegible] the resources to spare [illegible] large acquisition like [illegible] Thus it seems hardly [illegible] holding on to the shares [illegible] hope a predator might [illegible] As for the recovery play, [illegible] land Bank has already [illegible] formed TSB by some [illegible] cent over the past [illegible] months on just that basis.

BTR/Hawker

After the respite from [illegible] bids in the past cou[illegible] years, the BTR offer [illegible] for Hawker Siddeley [illegible] back into the twilight [illegible] the merchant banker. All [illegible] usual tricks of presentation [illegible] there, with the added [illegible] quotes from this new[illegible] taken out of context. Hawker's dismal record is dwelt upon in loving detail. BTR's performance is set in such glowing contrast that the naive reader would never guess that its profits are expected to fall this year for the second year running.

There is also a studied vagueness about what BTR actually means to do with Hawker. Since it is offering 18 times Hawker's historic earnings while its own shares stand on 13 times, a little more detail might be welcomed by BTR's shareholders. Despite all that, though, it scarcely seems conceivable that Hawker will retain its independence. The question is rather whether its share price, at 731p, deserves to be 18p above the paper value of the offer.

Lopex

Shareholders in the communications group Lopex have an intriguing proposition to discuss at their egm in 10 days' time. Lopex, it may be recalled, lost over 80 per cent of its net asset value last year and has just passed its interim dividend. The directors have the usual share options, which because of the near-80 per cent fall in the share price in the past three years are now worthless. They therefore propose to issue fresh ones up to the amount of 10 per cent of the equity. Shareholders might ask themselves why, if the company is about to outperform, the directors – whose salaries last year ranged up to £230,000 – do not simply buy in the market. They might also ask why the board's holding – a mere 1.6 per cent – has fallen in the past six months.

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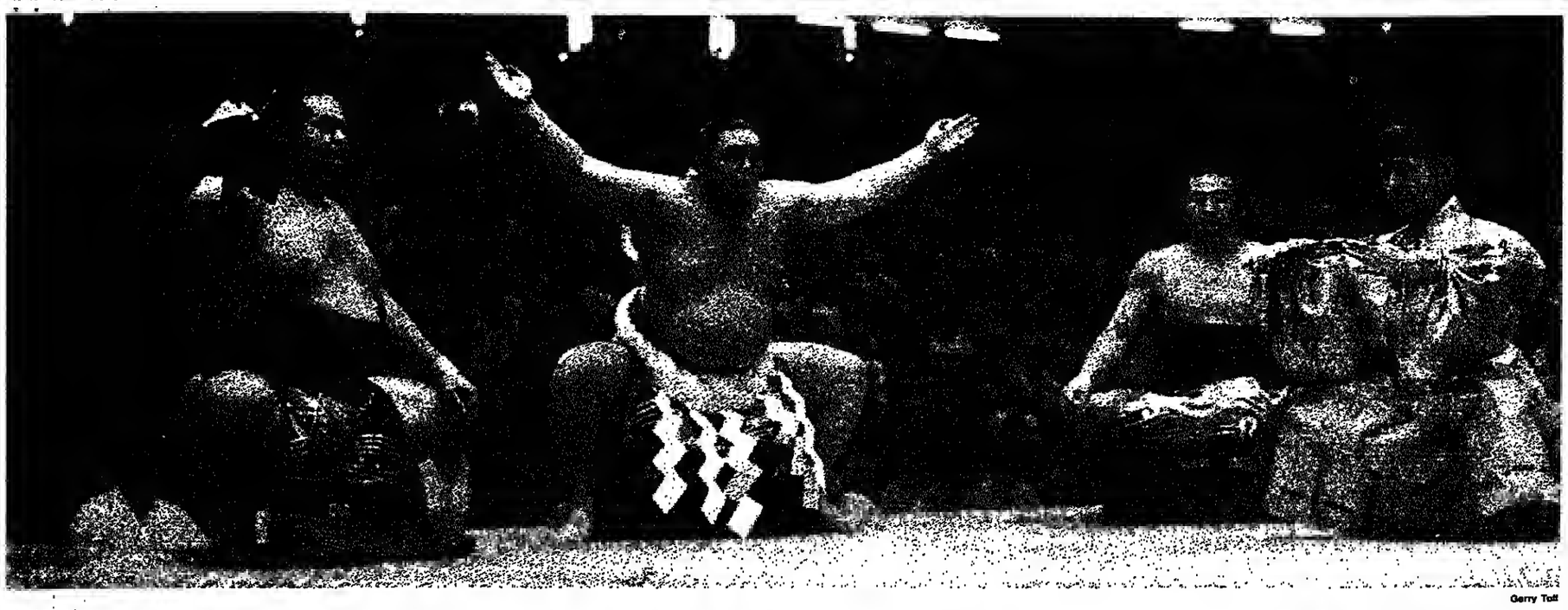
Weekend FT

SECTION II

Weekend September 28/September 29 1991



Gerry Toff

Last guardians of the samurai rites

Lyall Watson argues that sumo is more than just heavyweight wrestling: it reveals the importance of ritual in Japanese life

ONE THING that every foreigner learns in Japan is that no matter what you do, no matter how long you stay or how hard you study, you will never be quite right.

No visitor should take this personally. It is the consequence of a very old and fundamental separation between East and West.

My first experience of this divide was in a tea ceremony. It was given by a Master of Urasenke in a tea house near Kyoto. And from the moment I knelt to enter that tiny room I felt out of place. Not only did I know nothing about the rules appropriate to the occasion, but even my body was the wrong shape. In the company of those who had the form bred into their bones, who moved with exquisite precision, whose every gesture was controlled in ritual perfection, I was a clumsy oaf. With pride and knees hurt, I left in confusion.

I came back, though, to study and practice tea, and ran straight into another formidable barrier – Japan's Ten Year Rule. This is an understanding, implicit in almost every aspect of Japanese life, that it is impossible to learn how to do anything worthwhile in less than ten years of dedicated apprenticeship. The traditional arts are actually known collectively as *keikogoto* or "things learned by practice." And the rules of tea, I was told, were so demanding that one could practice them for a lifetime without attaining perfection. Nothing, they said, could be achieved in a year.

But a year was all I could spare. So, looking for a Master who might bend the rules a little, I went to see one who taught in a tea house attached to an ancient monastery. People had described him as "wonderfully spontaneous", which seemed an odd term in connection with a discipline as precise and rigorous as tea; but they were right. He was so much a master of the stylised movements for preparing and serving tea that he could relax within the confines of the tradition and express his own personality. He was so confident in technique that he was free to elaborate on the ritual in the same way that a great pianist may do with a familiar concerto.

I plucked up enough courage to approach this *sensei*. He was aghast at first, then amused, and finally willing at least to take me seriously. He would take me on in spite of my obvious shortcomings, if I agreed to live in, wash up and start every day before dawn. In addition to lessons in tea, I must study a martial art with equal emphasis.

I reluctantly picked *kendo* – fencing with wooden staves – and after several months spent half on my knees and half in combat, I made an amazing discovery. The *sensei* was right. Tea and kendo go well together. The more I learned to focus my energy in the martial art, the better able I was to refine my performance of tea. The more patient I became within the strict demands of the tea ceremony, the more successful I was in contests with the stave. Each discipline complemented the other, deepening my understanding of a common frame of mind which is reflected in the ancient code of *bushido* – the "way of the warrior."

This is the essence of Japan. Beneath all the talk of honour and loyalty lies a belief that history is the only true source of spirit and skill. Once I understood that, I saw why my tea master had insisted I study kendo, and I soon wanted to look at other martial arts. I went to the oldest and purest, sumo, and became entranced.

Most organised sport leaves me cold. But sumo moved me with its drama, its conflict and suspense, touched me with its dignity, with the sight of winners who take their victories with quiet courtesy and losers who accept their fates with simplicity and grace. I enjoyed the colour and the texture, but what really excited me was the sense of being, if only for the day, part of another world, of a lost way of life. I was conscious of being present at a ceremony involving the last of the samurai, part of a ritual whose devotees live and work, eat and play in another time.

Ritual provides vital continuity and gives form and meaning to human life. It is not just social decoration, nor a gloss upon the things we do on special occasions. It structures and enriches every aspect of our daily lives. Or at least it should. I believe it is possible to trace all the destructive ills to which western society now seems vulnerable to a lack of such appropriate ceremony. Young people break things and challenge institutions they find irrelevant. They try, in the codes and costumes of their groups, to set up rituals of their own. But because such fashions lack roots, history and meaning, they are soon supplanted by the next craze.

True ritual behaviour is a powerful pattern of communication. It carries information from another time, telling of how individuals may interact with each other, or with their gods, in orderly and meaningful ways. Rites enable us to know who we are and how we got here, and to make choices about what we should do next. Superficially they are patterns of repetitive or rhythmic behaviour which synchronise events. But they act directly on our nervous systems, setting profound unconscious processes in action.

These may seem absurdly grand claims to make for a sport, but it is worth taking a close look at some of the ceremonies involved in every session of sumo – including those next monthin the Royal Albert Hall.

The action each day begins with the rhythmic clacking of *hyoshigi*, the traditional cherry wood clappers which highlight significant moments and attract an audience's attention. The rhythm is oddly disturbing. It is precisely that which, as laboratory studies show, stimulates the right hemisphere of the brain, the one that generates emotion instead of logic. In other words, it is the sort of sound which can separate ordinary "profane" time from ritual or "sacred" time, preparing those who hear it for something special. It synchronises an audience to the same beat, unconsciously "tuning" everyone together and decreasing their personal space.

The "Rite of Access" begins out of sight of the people, behind their backs in one of the passageways, beyond their conscious awareness. But as the sound spreads and the group moves down the *hanamichi*, the path along which flowers were once strewn at the feet of a religious procession, they gradually become visible to more and more of the congregation. The referee leads the way, taking on the role of high priest in his bright ceremonial robe, moving slowly into everyone's consciousness, focussing attention, acting as a metaphor for the increase in group cohesion.

The procession pauses at the edge of the central area, shifting the audience's attention to the raised ring under its bright lights and evocative Shinto canopy. The *gyoji* (referee) steps up first onto the sacred ground of the *dohyo*. The wrestlers follow in their most expensive costumes, penetrating the realm of the holy. Each is given special sanction to do so, not only by revealing his ritual name, but by announcing his place of birth.

This has always been a scary moment for us, a critical point in the history of all patterns of worship, when the chosen few, acting on behalf of the whole community, trespass on the territory of the gods. So invasion of the sanctuary must be followed directly by a "Rite of Penance" in which the celebrants deal with the congregation's fear.

If they are ordinary wrestlers, each faces the centre, claps his hands to announce that his body has been purified, lifts his ceremonial apron to indicate that he has been properly prepared, and holds both arms aloft to show that he has come unarmed and is placing himself at the mercy of the gods.

If the actor is a *yokozuno*, the ring-entering is far more elaborate. Each grand champion has moral support in the form of two friends, acting as herald and sword-bearer. He wears his heavy white *tsuno* belt, which is a copy of the rope that hangs from Shinto shrines and gateways, calling attention to his status as an acolyte of the guardian spirits. And he moves with deliberate solemnity as guardian himself of the dignity of sumo.

The *yokozuna* begins his penance by bringing his palms together in a loud clap of attention. Then he rubs his hands in ritual cleansing, ending with the open-handed gesture of submission before rising to go to the centre of the sacred ground.

Like most things in Shinto, meaning is never clearly defined, but the entire ring-entering ceremony, or *dohyo-iri*, is believed to represent a prayer to the gods for tranquillity in the universe and peace and abundance in the nation. What the grand champion actually does is to make a mighty *shiko* stamp to scare away stray demons before bending low at the knees to make himself as small and as penitent as he can. Then he undergoes a remarkable transformation. Facing north, fixing his gaze ahead in a way which defies anyone to notice that he is wriggling his feet beneath him, he glides forward, gradually rising to his full height, turning from man to superman as he goes, uniting earth and heaven in one person. And then he stamps again, in defiance, as the crowd roars its acclamation.

At the end of their respective *dohyo-iri*, all wrestlers bow and file out, reversing their path, going back as it were into the unconscious, changing behind the scenes into another costume so that they can return later, fresh and forgiven, ready for action on another new day.

There are many more rituals involved in the return – including the drinking of "power water" from the hand of an unbeaten fellow wrestler, the sprinkling of salt to purify the fighting ground, and a range of older movements drawn not so much from religious ceremony as from biological origins involving the meeting of rival males at the edge of their territories.

Every *rikishi* learn the patterns so well that they become automatic. Like tea masters, the best develop elaborations and refinements, which become part of a personal repertoire of expression. I am certain that not even the most experienced *sumotori* is consciously aware of the deep significance of what he is doing. He does not need to be. His actions make a difference, changing all who take part, just as the Christian Mass affects its celebrants.

For me the beauty and potency of the sumo rites is that they invade the real world, taking place in front of a community which is carried along by the ancient energies. Yet everyone also eats and drinks and talks as it all goes on, almost as if they were at a picnic.

I admire this ability to mix the sacred and the profane, to deal with the world as one finds it, taking strength from the past and applying it without discomfort to the present. In Britain, also, ceremony is an important part of the national heritage. I am sure that is why all five performances of the first Grand Sumo Tournament in London were sold out long ago. With its colour, its ritual, style and dignity, sumo is like a cross between a Cup Final and the Trooping of the Colour. For all its exotic forms sumo is in essence very British.

■ *LYALL WATSON presents the sumo programmes on Channel Four.*

Dominic Lawson on the appeal of boxing – page 22

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The Long View/**Barry Riley**

Trouble for mutual friends

THE HEAT is on for our leading financial institutions. Four years after the stock market crash and more than three years into a housing market slump – which has badly affected the demand for mortgage repayment plans – many of the life insurance companies are struggling to find a survival strategy.

This week one of the proud Scottish independents, Scottish Mutual, agreed to sell out to Abbey National. It is not the first to demutualise in this way – a much smaller Glasgow office called FS Assurance was bought by Britannia Building Society two years ago – but the strains are obviously being felt by larger companies. A few of the biggest mutually-owned life groups, such as Standard Life and Norwich Union, still pull in large volumes of business, but even here the long-term future may not be clear. Standard Life, for example, depends on Halifax Building Society for much of its business just as Friends Provident has relied on Abbey.

But now Friends Provident is left, well, largely friendless and unprovided for. And Standard chose this same week to announce it was abandoning its traditional with-profits endowment mortgage policy – the one which rolls up various annual and terminal bonuses – in favour of a unitised version.

Trouble comes in threes, and the week's other big event in this area was yesterday's announcement that National Westminster is to abandon its struggle to remain an independent adviser on investments. Instead it is setting up NatWest Life, with the help of Clerical Medical. The effective ending of the availability of independent advice in the high street (aside from Bradford & Bingley and one or two other minor players) has been predictable, but it remains deeply worrying.

I have on a number of occasions in the past criticised the way that the regulators in the UK have approached the marketing of retail investment products, and some of my fears are in the process of being realised. Many independent life companies and unit trust companies are being viciously squeezed, but the big banks and building societies, meantime, are being motivated to buy or set up their own providers of investment products.

The problems revolve around so-called polarisation, the principle recently re-endorsed by the watchdogs at the Securities and Investments Board. Those individuals and companies engaged in marketing investments, ranging from solo salesmen to the mighty NatWest, with its 3,000 UK branches, must choose between tying to a single investment company or selling the products of all companies on an equal basis. They cannot sell their own brand alongside two or three top independent names chosen for their performance, value and quality, which is how most non-financial supermarkets approach the problem of selling baked beans or toothpaste.

Supposedly, polarisation protects the customer from various abuses, such as the channelling of extra kickbacks to the intermediary and the provision of biased advice. But here is how it will actually work at Abbey National. At present, Abbey customers seeking endowment mortgages or personal pensions are sold policies with Friends Provident, which has an excellent track record for the popular with-profits plans. It is the fifth-best performer for 25-year contracts according to a survey of almost 50 life companies by the trade magazine *Money Management*. But from 1993 Abbey's borrowers will be sold policies of Scottish Mutual – which has a pretty dismal record in this area, scoring below average on any term from 10 to 25 years. Over most terms Friends is paying some 20 per cent more than Scottish Mutual.

True, the policies will be issued in the name of a new company, Abbey National Life, but most of the expertise will be supplied by Scottish Mutual. Can it really be in the interests of customers to switch from an established and successful life company to one which is either poor or alternatively is a new and unknown quantity? Of course not, but Abbey is being driven by powerful commercial forces.

To have bought a more successful life company would inevitably have cost a lot more. Now, it will secure all the profits to be made out of selling life policies, not just the intermediary's commissions.

There is a lot of money, but little logic, in these mortgage-linked contracts. No matter that in practice only a tiny percentage of endowment mortgage plans remain in payment long enough to redeem the loan, the fact is 100 per cent of them pay handsome returns to intermediaries and life companies. At least the SIB has begun wondering out loud whether endowment mortgages are really "suitable" if so few fulfil their purpose, but it has never shown the courage to tackle the powerful life industry in the past.

The with-profits formula faces a separate crisis regardless of, or perhaps because of, its astonishing recent success. A with-profits investment plan achieves the apparently impossible by paying out a relatively steady return despite the volatility of the stock market. Millions of investors terrified at the thought of another stock market crash have therefore been flocking to buy with-profits policies.

Unfortunately, in the world of investment, the herd is all too often wrong. The with-profits formula is an ingenious method developed by clever actuaries to smooth out market fluctuations but it must not be pushed too far and it can be dangerous to extrapolate past trends.

For many companies, 25-year plans are now maturing only in tiny numbers (few were issued in 1966, and most have anyway since lapsed) and it is cheap to declare high terminal bonuses on a handful of surviving policies.

But these payouts bear no relation to the bonuses which could be sustained on the millions of with-profits contracts now being issued. Cynics will see the moves by Standard Life and other companies from the traditional with-profits formula as an attempt to broaden their product base before with profits bonuses are heavily cut.

It has not been a good week for friends and standards in more senses than one, and the concept of independence advice in retail investment has taken another battering. Investors deserve better protection than this.

Philip Coggan looks at the implications for investors on Page II

FLIGHT

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*To 01/8/91 Source FTA Debs and Loan Stocks Index, based by Guinness Flight Unit Trust Managers Limited, a member of IMRO and LAUTRO

FINANCE AND THE FAMILY

London Market

Painfully paying back the banks

THE CRIES of pain you heard during the late spring and early summer can now be explained. They came from a corporate sector carrying out an unnatural act, one that has not been seen in recent memory: paying back money to the banks.

Government figures published yesterday show that the UK's industrial and commercial companies received net financing from the banks of minus £4bn in the second quarter of 1991. In no previous quarter since the early 1980s has the sum been negative. As recently as the third quarter of 1989, UK companies were borrowing from the banks at the rate of £4bn a month.

UK companies were able to repay their borrowing for two reasons. First, they were running down stocks sharply (the record borrowing in the third quarter of 1989 was the reverse effect: a rapid run-up in stocks as the economy started to slow). Second, they were in the middle of the wave of rights issues that has been a feature of this year.

Until the banks recover their enthusiasm for lending to UK companies, the corporate sector will have to generate the cash it needs from operations, or from new stock and bond issues. The pressure will be greatest once the recovery gets under way, as companies start to rebuild stocks to meet rising demand.

Cash flow is likely to be a significant yardstick to use for judging companies over the early part of the next cycle. A recent analysis by Hoare Govett, focusing on cash, picks out companies in food manufacturing and electricity supply as relatively attractive when share prices are compared with cash flow forecasts. Contracting and construction companies, and some in the stores sector look relatively unattractive on this measure.

Food retailing is also potentially unattractive. Although it is naturally a cash-rich business, the ambitious supermarket building programmes of the big stores groups will put pressure on cash flow over the next few years. Sainsbury, Tesco and Argyll have all strengthened their balance sheets recently with rights issues or property sale-and-leasebacks. The two weaker competitors – Asda and Gateway – both have specific problems.

Asda, indeed, has been at the centre of speculation this week. It is still without a chief executive; and there have been press reports forecasting a £300m rights issue. This week, its shares fell 15p to close at 55p. There are persistent suggestions – perhaps wishful thinking as much as anything else – that the company may be a target for a foreign retailer wishing to enter the UK's highly lucrative supermarket business.

Asda's fate is of keen importance to the other big food retailers: if the company lingers on in a half-life, squeezed so badly that it is unable, over time, to refurbish its stores to meet the aggressive competition from the Big Three, they will gradually gobble up its customers. If a new chief executive decides retrenchment to Asda's north-of-England heartland is the long term answer, the sale of its southern sites will allow rivals to fill gaps in their networks or eliminate local competition. Both those two scenarios are bullish for the Big Three.

But if Asda were to be bought by an aggressive overseas competitor with deep pockets – particularly one used to competing on price, like the German chains – that would be bad news for the other supermarket groups. At best, they would be unable to profit as soon as they had expected from the greater concentration in the market on which their aggressive expansion is partly predicated; at worst, they might face a threat to the comfortably plump margins that distinguish British food retailing.

Such longer-term considerations were markedly absent from the market's principal drama this week, the British Aerospace affair. Meetings were cancelled at the company's head office, and all work at the top seemed to cease as directors confronted the chairman, Prof Sir Roland Smith over several days. The share price lifted slightly in anticipation of his fate. On Wednesday night, he went; on Thursday, the share price rose 3p. At its current price – it closed on Friday at 413p, down 15p on the week – the company is valued at £1.1bn, roughly the same as Pilkington or Siebe, and only two thirds as much as Williams Holdings.

The current share price is only 33p above the price of its current rights issue. The continued slide in the price after Sir Roland's departure indicates that the market's doubts about the group's strategy go deeper than just a mistrust of the former chairman's dealmaking. They may not be resolved until a strong-minded new chairman is found to take over from Sir Graham Day, BAe's interim chairman (who currently enjoys the rare distinction of chairing three FT-SE companies: BAe, PowerGen and Cadbury Schweppes).

BAe was not the only casualty of the week. Another victim was Lep, the security and freight forwarding group in which ADT has a 27 per cent stake. Its shares more than halved on Monday, falling 51p to close at 36p after announcing that it was in talks with its bankers and that profits would be sharply lower than expected. The shares closed the week at 27p, a drop of 60p or 69 per cent.

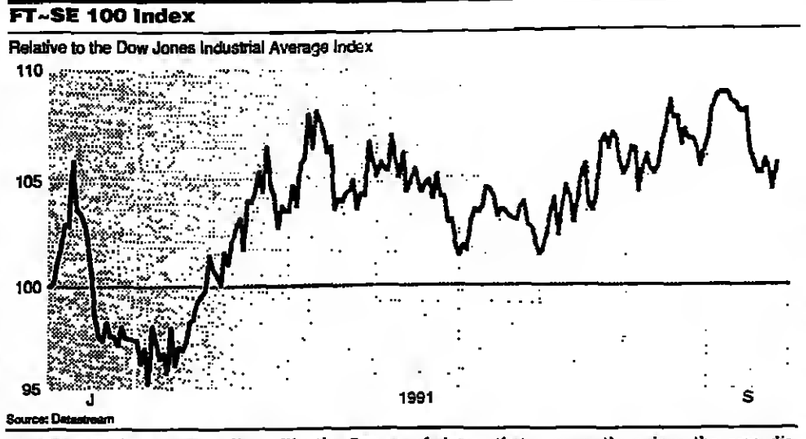
Vickers also suffered from a profit disappointment. On Thursday, it announced a pretax interim loss of £4.3m, because of a sharp downturn in sales of Rolls-Royce cars. The shares, which had been drifting downwards in anticipation of the bad news, dropped 20p on the day to close the week at 179p, down 11p.

With this spate of bad news – including a £230m rights issue from Hillsdown – it was perhaps surprising that the market ended the week virtually unchanged. The FT-SE closed the week at 2599.0, down 1.3. The index is 3 per cent below its high of 2679.6, reached on September 2 1991. The performance relative to New York, shown in the chart, reflects London's relative underperformance in September. As Sir Roland Smith would no doubt be the first to agree, it has not been a particularly good month.

Peter Martin

FT-SE 100 Index

Relative to the Dow Jones Industrial Average Index



Source: Datastream

HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1991 High	1991 Low	
FT-SE 100 Index	2599.0	-1.3	2679.6	2054.8	Corporate & electoral uncertainty
British Aerospace	413	-15	864	395	Chairman resigns
Cable & Wireless	571	+21	601	429	Rally after underperformance
ECC	478	+20	478	335	Pleasing interim results
Eurocamp	300	+40	300	225	Wins Euro Disney franchise
Ex Co Louisiana	56	+32	82	20	Drilling hopes
Glaxo	1354	-32	1392	800	Concern over asthma drug safety
Lep Group	27	-60	167	20	Int profits slide/div passed
Lloyd Thompson	430	+16	430	296	Excellent prelims/div up 20%
Maxwell Comm	167½	-6½	241	132	Critical TV programme
McLaughlin & Harvey	95	-35	169	95	Increased half-year losses
Meyer Intl	466	-19	494	358	Broker downgrades
Polypipe	214	+10	220	135	Good prelims/1-1 scrip
United News	413	+23	418	278	Good figures
Vickers	179	-11	245	164	Int loss/dividend warning

Serious Money

The best advice does not come free

By Philip Coggan, Personal Finance Editor

ADVICE IS a precious commodity, and British consumers have just lost another source of it.

The news of a joint venture between National Westminster Bank and Clerical Medical may not sound too alarming. But it means that a major provider of independent advice has disappeared.

As Barry Riley explains in the Long View (Page I), the Financial Services Act created a division between "independent" advisers and the tied agents of a particular company.

The fundamental flaw in the regime was that the system of paying financial advisers was unaltered. The commission system means that, to make a living, advisers must sell life insurance-related products.

So the act in effect created two classes of life insurance salesmen. "Best advice", to which the consumer has been theoretically entitled after the act, has come to mean the recommendation of the best life insurance company, not the best product for the consumer's needs. Selling, for example, national savings or index-linked gilts does not earn an adviser commission.

Now even the limited independence of some advisers is fast disappearing. The security that comes from being linked to a particular company, the regulatory costs involved in being independent, the simplicity of having to understand only one company's product range, rather than a hundred's – all these have led to a gradual shift towards the tied sector.

The NatWest link-up is only the latest example, and it leaves Bradford & Bingley Building Society as the largest independent financial adviser. NatWest will also set up its own life insurance company, as will Abbey National, which this week agreed to buy Scottish Mutual (see Page IV).

But to add to the consumer's confusion, NatWest will retain a specialist broker subsidiary to offer independent financial advice. The system created by the Financial Services Act means that large financial companies can have both tied and independent subsidiaries.

It is tempting to dismiss the whole thing as a dog's breakfast, except that any self-respecting hound would turn his nose up at it.

Consumers may not understand all the nuances but they are definitely dissatisfied. A Mintel survey this week found that 60 per cent of women felt patronised by the financial services industry. They agreed with the statement that "financial companies talk down to women because they think women are not capable of understanding money".

I am not surprised that women feel this way. Financial companies seem rooted in an era when the husband went to work leaving a housewife at home to vacuum and tend the two kids. Pity, for example, the woman who keeps her maiden name after marriage and tries to convince her bank or mortgage company not to rename her Mrs Smith.

> *Finance is a conspiracy against the laity*

But I still have the feeling that the Mintel survey might just as well have concluded: "Financial companies talk down to *people* because they think people are not capable of understanding money."

The fact is that a lot of people are baffled by finance, and many simply find the whole subject completely tedious. Like all professions, finance is a conspiracy against the laity; it deliberately dresses itself up with jargon to make itself more complicated. The greater the complexity, the easier it is to argue that people who work in the business deserve to earn six figure salaries.

The problem is that the staff who actually deal with the public – who are paid much less than the high-fliers in the City – frequently have the same problems as the rest of us. They know enough to deal with a specific product or field, but they then stick tenaciously and inflexibly to their chosen formula or script, and flounder when confronted with the unexpected.

An obvious example is the endowment mortgage, one of the most prominent examples of a life insurance related product. My colleague Scheherazade Daneshkhu recounted in July her attempts to obtain a repayment mortgage, which was obviously the most suitable loan for her circumstances. The adviser at the Woolwich, confused by such stubborn resistance from a member of the public, tried to clinch the argument by repeatedly insisting that "an endowment mortgage is more of a reality".

Such gobbledegook is commonplace. The growth of the tied business means that, as consumers, we will be continuously confronted with individuals and companies whose livelihoods depend on selling us particular products.

We may not want life-linked products, but we are damn well going to have them. In the parrot phrase of the industry: "Life insurance is not bought; it has to be sold."

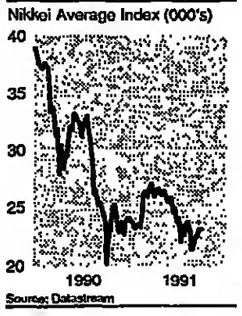
The depressing cycle will continue; consumers buy products they do not understand, give up contributing after a few years, become disgusted with the returns from early encashment and switch to a new policy for the cycle to begin again. Worse still, in a tied system, the fees and charges paid by the consumer are much harder to discover.

Whichever government is next elected needs to give serious attention to the deal that consumers receive from the financial services industry. In the meantime, *Weekend FT* readers are advised to seek out those few advisers who can claim to be both independent and disinterested – the fee-charging sector.

AT A GLANCE

Japan

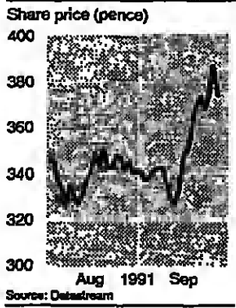
Nikkei Average Index (000's)



Source: Datastream

Racal Vodafone

Share price (pence)



Source: Datastream

Scottish Widows focuses on Japan

Scottish Widows is to convert its Pacific unit trust, which can currently invest in Japan and the rest of Asia, into a pure Japanese trust, investing solely in Japan. Several bonuses are on offer to investors during the first two weeks after the trust's re-launch.

People buying units on October 2 will receive a 1 per cent bonus on investments from £500 to £49,999, and a 1.25 per cent bonus on investments of more than £50,000. In the following two weeks, until October 16, the bonuses will be 0.5 per cent and 1 per cent. Minimum lump sum investment is £500, and a £30 per month savings scheme is available.

Scottish Widows is optimistic that this is a good time to concentrate on Japan, and the graph of the Nikkei Dow Index certainly seems to bear out the comment by David Graham, of Scottish Widows, that "most of the bad news about the Japanese economy is now fully reflected in the price".

Racal bid lifts Vodafone

VODAFONE, the former "twin" of Racal Electronics, has enjoyed a surge on the stock market in the last week. Racal Electronics were subjected to a formal bid from Williams Holdings to force its share price up. But Vodafone's price has risen thanks to favourable sentiment, and the widespread belief that it will be a bid target before much longer.

The main increase in demand for Vodafone shares came on Tuesday, after it was announced that a bid had been made for Metro Mobile, the last big independent US cellular radio group, by Bell Atlantic. However, analysts still disagree on the stock's underlying value, and the shares ended the week only 5p stronger at 378p.

Hambros launches two new PEPs

HAMBROS has launched two new personal equity plans. The Hambros Unit Trust PEP allows you to invest up to £3,000 in up to three of Hambros' Model Portfolio Trust, Equity Income Trust, and Smaller Companies Trust. There is no additional charge for investing via a PEP than there would be for buying the unit trusts direct.

The Hambros Bank PEP is more complicated, and allows up to £6,000 to be invested in one of four individual plans. They are; the managed mixed equity and unit trust portfolio, which includes a Hambros unit trust and FTSE-100 shares chosen at the manager's discretion; the managed blue chip portfolio aims to provide a balance of income-generating and capital growth shares, chosen by the plan manager; the managed smaller companies portfolio will invest directly in smaller companies' shares; and a "self-select" option allowing investors to put up to two shares of their own choice from the FTA-All Share Index into a PEP.

Smaller shares enjoy good week

SMALLER company shares had a reasonable week. The County Nat West Smaller Companies Index was up 0.84 per cent over the week to September 26, at 1019.85, while the Hoare Govett index (capital gains version) rose by 1.06 per cent over the same period to 1263.31.

Wall Street

Traders prepare to grab the bottom

THIS WEEK Wall Street's traders have been unable to keep their minds off an "October bottom". No, it has *nothing* to do with the next Playmate of the Month, nor is it a kinky new twist to the "October Surprise" conspiracy.

Instead, the "bottom" they are concentrating on is the moment next month when share prices hit the floor with a thud. The market has gone nowhere in the past few weeks because, in the absence of any incentives to buy, investors have been looking for an excuse to sell. Judging by the halting form of stock prices this week – only a brief flurry of programme trading on Tuesday broke the pattern of dreary decline – the market is teetering on the edge of a sizeable sell-off.

Wall Street watchers believe investors could be pushed over that edge by poor third quarter corporate results, which will start coming in next month. If share prices do take a dive, market professionals – a loose term to describe the dealers and cannier investors – will be on hand to rush in and pick up the bargains.

This view suggests that there is a solid floor to the market, probably at or near 2,900 on the Dow, the mark at which the bargain hunters would make their move. There is less certainty, however, about where the ceiling is. Money may have been seeping into equities recently because of declining yields on savings accounts, certificates of deposits and money market funds, but the steady output of gloomy economic statistics has kept hopes for a substantial market rally in check.

This week provided more evidence that the economy, while up from its sickbed, is still groggy from almost a year spent flat on its back. Tuesday saw a drop in consumer confidence reported by the Conference Board – a sign that consumers have been slow to respond to statistical evidence of an economic recovery with a recovery in their expectations.

A 3.8 per cent decline in durable goods orders for August was also reported – although hidden in the report were some goodish manufacturing numbers – as was a bigger-than-expected rise in weekly claims for unemployment insurance, and a totally unforeseen revision in second quarter gross national product. The estimate was changed from an originally calculated 0.1 per cent decline to a 0.5 per cent decline.

The revision to the GNP total was particularly worrying. It suggested that the economy was in a deeper trough between April and June than previously thought. It also implies that any recovery in economic performance during the third quarter will also have been overstated.

Against the background of a faltering economy, the outlook for third quarter company profits is not rosy. This list of companies reorganising in anticipation of tough times ahead grows longer by the day. This week Union Carbide disclosed plans to cut its workforce over the next three years by 14.5 per cent – which will lead to 5,500 employees losing their jobs. Combined with other steps, Union Carbide hopes to boost pre-tax earnings by $250m by 1994. In the more immediate future, the cost-cutting means means the company will take a fourth quarter charge of between $100m-$150m.

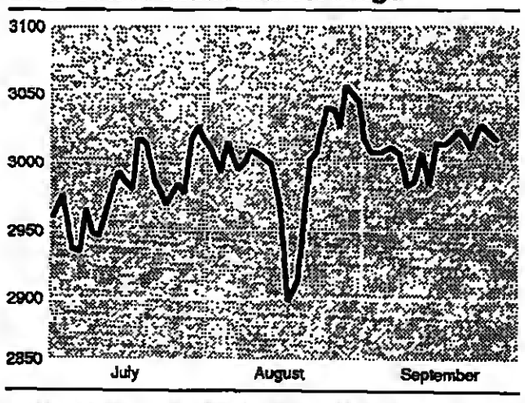
Yet amid the gloom this week there was some better news from a few corporate giants. General Dynamics was the subject of heavy demand from investors after the company forecast that its quarterly earnings would come in above analysts estimates of $1.50 a share. William Anders, chairman of the nation's second biggest defence contractor, said the benefits from its recently introduced programme to reduce the size of the company, cut payroll costs and increase productivity were being realised sooner than originally envisaged. A good part of the extra cash General Dynamics expects to make will be handed back to shareholders, either through a buy-back of stock, an increase in the dividend, or some form of special distribution or self tender.

McDonald's was another big name to predict a quarter that will confound experts' opinion. The company's stock was actively traded on Thursday after the management disclosed that June to September profits and sales will top those achieved a year ago.

Typical of its drive to find innovative ways to sell its product, McDonald's announced that its burgers will be available to young passengers on United Airlines flights to Orlando, the Florida home of Disneyworld. Eating a Big Mac while travelling at speed should give new meaning to the term "fast food".

Patrick Harverson

Dow Jones Industrial Average



Monday	3010.51	– 8.72
Tuesday	3029.07	+ 18.56
Wednesday	3021.02	– 8.05
Thursday	3017.22	– 3.48

The Bottom Line

Small means profitable in the insurance sector

THERE HAVE been few recent success stories in the UK insurance industry – but two sets of figures published this week indicate that not everything in the insurance garden is blighted.

On Monday Lloyd Thompson, the insurance broker which was inauspiciously listed on the day the stock market crashed in October 1987, posted a 35 per cent increase in pre-tax profits for the year to June 30.

A day later Domestic & General, which insures domestic appliances such as refrigerators and televisions against breakdown, notched a 46 per cent increase in profits for the same period. The company is on course to record profits of £5.7m for the full year.

Both companies are small – with turnover around £30m – but have done consistently well since obtaining stock market listings. Lloyd Thompson profits have grown at an average rate of 29.2 per cent since 1987. Profits at Domestic & General have increased at an average rate of 43.4 per cent since 1988.

Their shares have reflected this strong performance. Over the past four years Lloyd Thompson shares have outperformed the FT-A All Share by 60 per cent. The shares are on historic price/earnings ratio of 21.5 and a prospective p/e of 18.

D & G's price has hardly stopped rising since its shares were placed on the unlisted securities market at 185p in May 1988. The shares were trading at around 763p yesterday, an rise in nominal terms of more than 360 per cent.

The shares are on a historic p/e of 15.7 and a prospective p/e of 13.8. Over the past two months, D & G has outperformed the rest of the insurance sector by 91 per cent and the All-Share by 78 per cent.

Both companies' results are in sharp contrast to the bulk of the general insurance sector. The UK's composite insurers have recorded disastrous results in the past 18 months. Companies such as Guardian Royal Exchange and Royal Insurance have chalked up their first ever pre-tax losses.

Martin Copley of Domestic & General

One company, Trade Indemnity – the trade credit insurer, in which the composites have major stakes – has been so badly mauled by the recession that it did not declare an interim dividend.

Whereas Britain's composite insurers sell everything from motor insurance to pension plans, more successful smaller companies tend to focus on relatively specialised sectors.

Lloyd Thompson and D & G specialise in very different sectors of the insurance market, but a common thread runs through their success. Both can justifiably lay claim to being the industry leaders in their specialised fields.

Chris Hitchings, an analyst with Hoare Govett, says: "The secret of both companies is actually quite simple – by being very good at what you do, you create a product which is materially better than the competition and on that basis you grow market share and to some extent even the market itself."

Lloyd Thompson built its reputation in the energy risks market – broking insurances for oil companies. It has enjoyed the benefits of a flat and flexible management structures. Staff – especially leading individual brokers – have been encouraged by generous incentives.

D & G has also benefited from a more focused approach. Following unsuccessful diversification into motor insurance and mortgage broking, the company is concentrating exclusively on its domestic appliance business. But as well as insuring domestic appliances against breakdown, it offers to repair damaged equipment and has built up a database of recommended repair services.

Customers not only receive payment for any repair costs, D & G also ensures that the repairs are done quickly and efficiently. As a result, customers tend to renew their policies, while D & G has a considerable degree of control over its claims costs.

Hitchings suggests that the strengths of D & G and Lloyd Thompson reside in the fact that they have anticipated the shape of future trends in the insurance industry, which is likely to become much more geared around customer need. Indeed, with growth set to continue, the only problem appears to be the relative lack of liquidity in both company's shares.

Martin Copley, who owns just over 30 per cent of the company's shares, admits that the group has considered a rights issue to fund further expansion in a business which has proved surprisingly resilient to recession. At the moment the company does not intend to raise more capital.

Lloyd Thompson, meanwhile, said it was proposing a one for one capitalisation issue – designed to increase liquidity in the share and ease trading by institutions.

Some analysts suggest that, with the worst over, now is the time to invest in the bigger companies. The weaker companies such as GRE and Royal are judged to be interesting recovery stocks by some. Even so, with another year of losses in 1992 a distinct possibility, this appears to be a slightly risky strategy. The smaller insurance companies may be better bets.

Richard Lapper

FINANCE AND THE FAMILY

Investment or unit? A question of trusts

***Philip Coggan** looks at both sides of an old dilemma for investors*

THE DECISION by M&G, one of the giants of the unit trust industry, to launch and market extensively an investment trust reawakens an old dilemma for investors. Which is better – a unit or an investment trust?

Both offer private investors a diversified portfolio, and access to small markets that might otherwise be denied them. Each has its advantages and disadvantages (summarised in the table below). Investment trusts have the longer pedigree – dating back to the 1860s; unit trusts, founded in the 1930s, are relative upstarts.

For much of the last 30 years, however, the unit trust industry has won the sales battle with ease. It has done so by allying itself closely with the life industry (through the sale of unit-linked life assurance, endowment mortgages and pensions) and by paying 3 per cent commission on sales to independent financial advisers.

But over the last seven years, investment trusts have been fighting back. Savings schemes have been introduced – offering small investors a chance to enjoy the benefits of equity investment at very low cost. Trusts have also started to woo the IFA with commission and to link their shares to other savings products.

This year's burst of investment trust activity has been prompted by two factors. The first is that a quirk in the Personal Equity Plan rules allows a full £6,000 to be placed in stock market new investment trust issues, compared with £3,000 for normal investment and unit trust holdings. Since unit trusts are not quoted, they cannot qualify for the full £6,000.

The second reason for the surge in investment trust popularity is the revival of the split capital trust. Such trusts separate the functions of capital growth and income, giving them the chance to appeal to a wider circle of investors. A high yielding income share in a split capital trust, placed in a PEP, is a very attractive option for an income-seeking investor.

So has the argument finally shifted in favour of investment trusts? In terms of performance, there appears to be no contest. Over the last five years, £100 in the average investment trust would, with income reinvested, have turned into £173.80. The same amount invested in a unit trust would have risen to just £136.90.

Over ten years, the difference is even starker. A hundred pounds in an investment trust would have grown to £517.40 in that period; in a unit trust to just £387.40.

But those figures could be rather misleading. Part of the reason for the strong performance of investment trusts is that the discount has narrowed in the 1980s.

The discount is determined by the supply and demand for investment trust shares. In the mid-1970s, the private investor had been driven out of trusts by high taxation, and the investment institutions were left as unenthusiastic holders of trust shares; the discount was as wide as 40 per cent.

The discount has narrowed through the 1980s, thanks partly to the trusts' efforts to attract private investors. The activities of predators have also been important; they have swooped on trusts whose assets appeared "cheap".

That narrowing of the discount means that the share prices of investment trusts have risen faster than their asset values. That has given them an advantage over unit trusts, since unit prices rise and fall directly in line with the asset value of the fund.

The average investment trust discount has now fallen to 13 per cent; so there is far less scope for the discount to narrow in the 1990s. Indeed, there is always a risk that the discount could widen again.

This could easily happen if the industry, in its enthusiasm to launch new trusts, swamps private investor demand.

Nevertheless, even if one strips out the discount factor, investment trusts have outperformed unit trusts. In asset value terms, £100 in an investment trust fund has grown to £431 over ten years; even on the most favourable offer-to-offer basis, £100 in a unit trust has only grown to £412.

This relatively narrow lead expands to around 11 per cent if unit trusts are measured on an offer-to-bid basis. Three factors may explain it. Charges on an investment trust tend to be lower, which in the long term should boost investor returns. Secondly, the ability of investment trust to borrow money (while having its dangers) means they can gear up to take advantage of rising markets.

Thirdly in falling markets – notably the 1987 Crash – unit trust managers face the problem of redemptions, and have to sell shares at distressed prices. Investment trust managers are saved this dilemma.

The traditional argument is that unit trusts are better for the small investor, because of the discount factor. That is probably too facile. It seems unlikely that the discount will ever widen back to its 1970s levels, or even the 25 per cent or so of the mid-1980s. The risk is fairly limited, especially if the investor is buying a holding for the long term.

On the other hand, the liquidity of unit trusts is an important factor. On Page V, Kevin Goldstein-Jackson describes his problems in selling his holding in a small investment trust. With a unit trust, all you do is pick up the phone. That problem would not occur with a large trust such as Foreign & Colonial. Nevertheless, the guiding line for investors is probably that if performance is the most important factor, investment trusts have the edge; but if liquidity is vital, they should opt for unit trusts.

Unit trusts	Investment Trusts
■ Not quoted on the stock market.	■ Quoted on the stock market.
■ Investor buys units.	■ Investor buys shares.
■ Priced on asset value.	■ Priced on supply & demand.
■ Number of units in issue rises and falls as investors buy and sell units.	■ Number of shares in issue remains constant.
■ Cannot borrow.	■ Can borrow.
■ Investor pays initial charge of 5-6 per cent, included in spread.	■ Investors pays brokers commission of 1.5 to 2 per cent (less in savings scheme) plus 0.5 per cent stamp duty plus market buy-sell spread.
■ Annual management charge of 1 to 1.5 per cent.	■ Annual management charge of 0.5 to 0.75 per cent

Trust to track

JAMES CAPEL is set to launch a unit trust which will give investors a unique chance to track the performance of smaller companies.

The Trixie index fund will track those stocks which are members of the FT-A All-Share Index and which have market capitalisations of between £20m and £400m.

The fund will be the first indexed trust to track small company performance. There are 385 stocks in the Trixie index, but the fund will hold about 150 shares, giving it a tracking error of around 2 per cent a year.

James Capel says the Trixie index, while not as broad as either the Hoare Govett or County NatWest smaller companies indices, contains more liquid stocks. The Trixie has slipped from being at a 20 per cent price-earnings ratio premium in the mid-1980s to being at a 15 per cent discount.

A revival in small companies is eagerly awaited. The main bull argument is that small companies are more focused on the UK economy and thus more likely to benefit from recovery.

The trust still awaits approval from the Securities and Investments Board but, on launch, it plans to have a gross yield of 5.5 per cent.

The initial charge will be 5.25 per cent. Investors will be offered a 1.8 per cent discount on launch day and a 1 per cent discount thereafter for the first three weeks; the annual management charge will be 1 per cent.

The main slant of the launch is towards institutions and private client portfolio managers but those interested can get more details by telephone 0800-289505.

Philip Coggan

BEST RATES FOR YOUR MONEY

	Account	Telephone	Notice/ term	Minimum deposit	Rate %	Int. paid
INVESTMENT A/C's and BONDS (Gross)						
Southdown BS	SuperSaver	0273 471671	Instant	£1	10.25%	Yly
Bradford & Bingley BS	Direct Premium Ac	0345 247247	Instant	£1,000	11.50%	Yly
Britannia BS	Capital Trust Ac	0800 636263	Instant	£2,500	12.15%	Yly
Chelsea BS	Option 90	0242 521391	90 Day	£50,000	12.25%	Yly
Chelsea BS	2 yr Option Bond	0800 272505	2 Year	£5,000	12.20%	Yly
Alliance & Leicester BS	Special Return	0533 717272	2 Year	£10,000	12.25%	Yly
TESSAs (Tax Free)						
West Bromwich BS		021 525 7070	5 Year	£150	13.25%	Yly
National Counties BS		0372 742211	5 Year	£3,000	13.10%	Yly
Lambeth BS		071 928 1331	5 Year	£20	12.90%	Yly
Exeter Bank		0392 50635	5 Year	£250	12.00%	Qly
HIGH INTEREST CHEQUE A/Cs (Gross)						
Caledonian Bank	HICA	031 556 8235	Instant	£1	10.00%	Yly
UDT	Capital Plus	0734 560 411	Instant	£1,000	9.90%	Qly
Chelsea BS	Classic P/Acc	0242 521391	Instant	£10,000	11.20%	Yly
				£25,000	11.70%	Yly
Northern Rock BS	Current A/C	091 285 7191	Instant	£25,000	10.71%	Mly
OFFSHORE ACCOUNTS (Gross)						
Portman Channel Islands	Channel Isls Acc	0481 822747	Instant	£1,000	10.70%	Yly
C & G Channel Islands Ltd	Guernsey Gold	0481 715422	Instant	100,000	12.00%	Yly
Alliance & Leicester (IOM)	Manximum 90	0624 663566	90 Day	£25,000	11.00%	Yly
Yorkshire BS Guernsey	Key Extra	0481 719898	180 Day	£50,000	11.95%	Yly
Bristol & West Int Ltd	Int Bond II	0481 720609	30.11.92	£25,000	11.50%	OM
GUARANTEED INCOME BONDS (Net)						
Hambro Guardian FN		0800 262536	1 Year	£5,000	8.50%	Yly
Canterbury Life FN		0227 457375	2 Year	£5,000	8.75%	Yly
Prosperity Life FN		0800 521 546	3 Year	£2,000	8.75%	Yly
Liberty Life FN		081 440 8210	4 Year	£25,000	8.90%	Yly
Providence Capitol FN		0256 768888	5 Year	£25,000	9.20%	Yly
NAT SAVINGS A/Cs & BONDS (Gross)						
	Investment A/C		1 Month	£5	10.25%	Yly
	Income Bonds		3 Month	£2,000	11.00%	Mly
	Capital Bonds C		5 Year	£100	11.50%	OM
NAT SAVINGS CERTIFICATES (Tax Free)						
	36th Issue		5 Year	£25	8.50%F	OM
	5th Index Linked		5 Year	£25	4.50% + Infln	OM
	Childrens Bond		5 Year	£25	11.84%	OM

All rates (except Guaranteed Income Bonds) are shown Gross
*= Gross Equivalent Rate. Fixed; Fixed Rate (All other rates are variable. OM= Interest paid on maturity. N= Net Rate. B= Bond
Source: Moneyfacts, The Monthly Guide to Investment and Mortgage Rates, Walsharns House, Stalham, Norwich.

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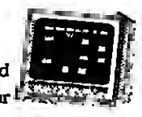

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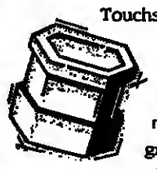

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FT 28.9.91

WORLD TELECOMMUNICATIONS

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Data source: MORI - Captains of Industry Survey 1990

FT SURVEYS

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To: The M&G Group, M&G House, Victoria Road, Chelmsford CM1 1FB. Tel: (0245) 266266 (Business Hours). Please send me details of M&G Income Investment Trust P.L.C. and The M&G Full £6,000 PEP.

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THE M&G FULL £6,000 PEP

FINANCE AND THE FAMILY

What to do when the feeling's mutual

NOW THAT Scottish Mutual Assurance has accepted the embrace of the Abbey National, what will be the effect on the life company's policyholders?

Scottish Mutual is one of more than 20 British mutual life insurers – companies which are owned by their policyholders. To become part of the Abbey National empire, the small Glasgow-based company will need to sacrifice its mutual status.

Over the next few months policyholders will be asked to sell their interest in the company to Abbey National. Only 300,000 policyholders are affected but many of Britain's smaller mutuals find themselves in a similar condition to Scottish Mutual and other so-called "demutualisations" could follow.

Scottish Mutual's board is convinced of the merits of the deal which they believe will help them increase their share of the life insurance market and open new opportunities for the company's 1,000 staff.

Policyholders may have a number of questions. We try to answer some of them here:

What rights do I have?

Holders of with-profits policies – that is about 175,000 of the company's 300,000 policyholders – are eligible to vote. Seventy-five per cent or more of these voting members will need to vote in favour of the deal if it is to be approved.

When will this vote occur?

At a special general meeting – in early November.

What benefit will I get if the takeover goes through?

The benefits of the takeover are confined to the owners of Scottish Mutual – the same 175,000 with-profits policyholders eligible to vote. Abbey proposes to pay £285m to acquire the group. About a quarter of this money – some £70m – will be directed towards the payment of a special bonus to policyholders.

Scottish Mutual will circulate individual with-profits policyholders with details of how they will be affected in the oext few days.

The average benefit per policyholder will amount to about £400 – although the benefit an individual will derive from the one-off bonus will depend on how long they have been policyholders and how much money they have invested.

Policyholders will receive the benefit of the remaining £215m less directly. The money is to be invested in a new with-profits life insurance fund.

The main benefit here is to secure the value of future bonuses – reversionary bonuses that are paid annually and terminal bonuses that are paid at the end of a policy.

As part of a proprietary company, Scottish Mutual will be obliged to pass on a percentage of annual surplus to the shareholders of Abbey each year.

In mutual companies policyholders receive 100 per cent of the value of any surpluses but, in proprietary companies, 90 per cent of the surplus is directed to policyholders and 10 per cent – in effect the profit – to shareholders.

On the other hand, the £215m injection into the life fund will inevitably increase the amount of investment income accruing to the fund (which, like other life funds, is invested in a mixture of government bonds, property and shares). Analysts suggest this increased investment income will benefit policyholders, offsetting the amounts that Abbey will take from the fund to pay profits to shareholders.

What if I have a unit-linked policy?

Scottish Mutual's unit-linked policyholders neither gain nor lose from the deal in the short term. In the long term, they may gain if Abbey National's new life operation prospers. The more profits Abbey makes, the more money it will be able to invest in its life business. Abbey National and Scottish Mutual managers hope this will increase the scope for positive returns for all policyholders.

Will my policy be safer or more risky after the merger?

The impact for policyholders should be minimal. In general, of course, unit-linked policyholders take greater risk to gain greater returns than with-profits investors. However, the risks and rewards are not affected by whether the company is mutually owned.

Will the premium be affected?

People have contracted to pay certain premiums for certain benefits and these contracts will remain in force.

Richard Lapper

People may not profit

AN ERA has ended with the news that Standard Life, the Scottish insurance company, is pulling out of the with-profits endowment mortgage market.

With-profits policies have been the "safe" alternative for home buyers taking out an endowment policy – and Standard Life has led the field in terms of performance.

From January, Standard Life is introducing Homeplan, a unitised house purchase product. House buyers opting for an endowment mortgage will be given the option of a unit-linked endowment or a unitised with-profits policy.

Under a with-profits policy, a guaranteed sum is increased by bonuses (called reversionary) declared every year and by a further bonus (terminal) at the end of the policy. Once declared, a bonus cannot be withdrawn. This creates a smoothing effect that protects investors from events such as the 1987 crash.

Under a unit-linked policy, your premiums buy units in a fund – and the value of your policy fluctuates in line with the value of the fund. Such policies are generally perceived as more risky – while offering the chance for greater reward – than a with-profits product.

A unitised with-profits policy is a hybrid. Your premiums still buy units, but the value of those units increases in line with non-reversible bonuses.

From the perspective of insurance companies, unitised with-profits policies reduce the strain of taking on new business – as the bonuses build up more slowly than with a traditional policy. They also seem easier to market, because the concept is simpler to explain.

Scottish Amicable and Sun Life made similar moves to Standard Life earlier in the year and personal pensions are now sold on a unitised basis.

Existing with-profits policyholders might be concerned about this development. Standard Life has so many policyholders of this type it says it will have every incentive to produce good returns.

Policyholders must suspect that if the insurance companies no longer have to compete to win with-profits business, they will have no interest in treating such policyholders well. Their best efforts will shift to unit-linked business.

This is a particular pity because surveys by *Money Management*, the FT's sister monthly magazine, have shown that with-profits policies have outperformed unit-linked versions. A survey in the November issue is set to show traditional with-profits policies have outperformed the unitised with-profits policies over the past five years.

Unit-linked policies admittedly have charging structures which are easiar to understand. That apart, it seems once again that the financial services industry is set to change – although it is far from clear that the consumer stands to benefit.

Philip Coggan

BES deadline

THIS YEAR'S antumn Business Expansion Scheme season is about to reach its climax. The deadline for investments if you want to carry forward tax relief from last year falls on October 5, writes John Authers.

There are effectively two forms of BES company:

■ "Buy-back" schemes have a covenant from another institution to buy back their properties at a fixed price after five years. They include:

BESSA UKC, sponsored by Close Brothers, **Fifth Johnson Fry Super Growth**, Govett Asset Builder, sponsored by John Govett, **Great Western Assured Growth**, sponsored by Dartington, **House the Homeless of London**, sponsored by Peabody Trust, **IMPRESS** sponsored by Hodgson Martin, London Christian Housing and **Sun Life BESRES VII**.

■ Other schemes have no upward limit on the amount of money they can deliver, but greater risk. They include:

Artesian Competitor, Johnson Fry Predator V, Kerrington III, and **Oxford Academic Housing**, all sponsored by Johnson Fry, **Paragon, Premium Gains, Reversionary Gains**, and **South Eastern Recovery**, all sponsored by Neill Clerk, and **Sun Life Phoenix**.

The Week Ahead

Amstrad gloom

AMSTRAD, the computer group, is expected to report on Thursday full year pre-tax profits of £20m, less than half last year's £43.7m. Mr Alan Sugar, the chairman, said when he announced half-year profits of £40.1m that tha company would do well to break even in the second six months.

Amstrad has sinca announced that it will make an exceptional £20m write-down against unsold personal computer stocks.

Some City analysts are worried that provision is too small. They will be looking for some indication of the state of the current year's trading.

Given the depressed state of the computer market, they are not expecting an early improvement.

Forte will report on Thursday a sharp drop in pre-tax profits for the half-year to end July to about £45m from £113m a year earlier. Its hotel and airline catering businesses were hit hard by the Gulf war and recovered only slowly since.

Bank of Scotland's shares have outperformed the sector by more than 10 per cent since the May rights issue as the quality of its lending book and earnings continues to appeal to investors.

Analysts are expecting it to report on Wednesday interim pre-tax profits of around £70m against £110m and a dividend increase of some 10 per cent.

Sears, sporting a new chief executive in the form of Mr Liam Strong, ex-British Airways marketing director, will report on Tuesday a drop in interim profits to around £12m excluding property and other income from £36.8m.

In the current half year retail sales remain very stodgy.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Alliance Resources	Apr	219 L*	(413 L)	1.0	(4.0)	-	(-)
Ardagh	Jun	4,960‡	(4 35)	12.59	(10.23)	3.0	(2.5)
Baillie Gifford Tst.	Aug	54	(30 L)	0.48	(0.28 L)	-	(-)
Barratt Developments	Jun	105,900	(30,200)	-	(-)	3.21	(8.0)
Bryant Group	May	10,100	(20,100)	3.4	(8.2)	4.8	(4.8)
Cornwall Parker	Jul	8,060	(8,710)	13.2	(15.1)	3.9	(3.9)
Courtyard Leisure	Mar	62	(97)	0.4	(1.2)	0.5	(0.5)
Domestic & General	Jun	4,950	(3,400)	46.11	(31.37)	13.0	(10.5)
EPM Dragon Trust	Aug	329	(67)	0.105	(0.022)	0.100	(-)
Elsoo Holdings	Jun	3,350	(4,750)	7.3	(13.5)	4.0	(9.2)
Everest Foods	May	2,840	(1,850)	12.97	(12.0)	8.8	(8.8)
Fregmore Estates	Jun	4,000	(7,100)	7.2	(14.8)	12.0	(12.3)
Gent (SR)	Jun	1,080	(5,040)	1.3	(8.3)	2.0	(3.0)
GT Japan Inv.Trust	Jun	1,150	(1,470)	1.31	(1.7)	1.15	(1.4)
Hays	Jun	58,800	(58,200)	10.0	(9.75)	4.0	(3.8)
Interlink Express	Jun	8,930	(8,050)	28.08	(25.93)	8.375	(8.375)
Lloyd Thompson	Jun	11,280	(9,351)	16.9	(15.0)	9.0	(7.5)
MAI Group	Jun	88,300	(85,500)	12.6	(12.0)	5.9	(5.5)
MFI Group	Apr	22,700 L	(1,900L)	-	(-)	-	(-)
Mucklow (A&J)	Jun	10,800	10,500	8.11	(7.39)	8.043	(8.13)
Murray Ventures	Jul	3,980	(3,800)	12.04	(11.99)	10.3	(9.3)
Oceonics Group	Mar	939	(1,890L)	0.4	(2.7 L)	nil	(-)
Polypipe	Jun	13,900	(13,400)	13.26	(13.25)	3.75	(3.5)
Ricardo Int.	Jun	4,850	(3,830)	9.9	(13.9)	6.7	(6.7)
Sunset & Vine	Jun	702	(1,010)	8.8	(12.6)	3.6	(3.6)
Thorpe (FW)	Jun	1,600	(1,400)	5.2	(7.3)	2.15	(1.97)
Trafford Park Estates	Jun	3,300	(3,070)	3.6	(2.82)	2.575	(2.575)
Unigroup	Jun	1,290	(713)	3.81	(0.51)	-	(-)
Usher (Frank) Hldgs.	May	775	(1,390)	7.2	(12.6)	4.0	(6.0)

INTERIM STATEMENTS

Company	Half-year to	Profits (£000)		Earnings* per share (p)	
AGB Newspapers					
Antofagasta	Jun	9,600	(14,600)	6.0	(8.0)
Ashley (Laura)	Jul	528	(317)	-	(-)
Aspen Communications	Jun	1,150	(2,780)	2.7	(2.7)
BHH Group	Jun	2,700 L	(4,280)	-	(1.0)
Baltic	Jun	5,620	(7,020)	1.85	(1.85)
Biliam (J)	Jun	109	(73)	1.64	(1.54)
Bilston & Ballarsea	Jun	52 L	(222)	-	(1.75)
Boddington Group	Jun	7,520	(8,570)	2.85	(2.15)
Breedon	Jul	1,850	(2,580)	1.75	(1.75)
Brent Chemicals Int.	Jun	4,810	(6,810)	1.0	(1.0)
BSG International	Jun	6,510	(8,010)	6.7	(6.7)
Cambridge Isotope	May	344*	(220)	-	(-)
Carlisle Group	Jun	549 L	(3,790 L)	-	(-)
Clarkson (H)	Jun	6,140	(6,370)	2.75	(2.75)
Clifford Foods	Jun	2,500	(2,700)	4.0	(4.0)
Dagenham Motors Grp.	Jun	1,010	(1,800)	1.25	(1.75)
Dencora	Jun	210	(1,510)	-	(-)
Dixie Heal	Jun	90	(172)	0.35	(0.35)
Doneion Tyson	Jun	1,450	(1,150)	-	(-)
Dunlee House Group	Jun	185 L‡	(150)	-	(-)
ECC Group	Jun	53,200	(57,200)	6.6	(6.6)
Edinburgh Fund Man.	Jul	2,460	(2,550)	5.0	(4.5)
Enterprise Computers	Jun	4,780 L	(5,010)	0.25	(1.0)
Fired Earth Tiles	Jun	136	(464)	1.625	(1.625)
Fortnum & Mason◆	Jul	318	(185)	10.0	(8.0)
Garton Engineering	Jun	151	(362)	1.75	(1.75)
Gestel	Jun	15,100	(14,100)	3.6	(3.28)
Hampden Homecare	Jun	175	(154)	0.2	(0.2)
Hewitt Whiting Hdg.	Jun	178	(634)	-	(-)
Hay (M)	Jun	85	(413)	0.5	(-)
Hemingway Properties	Jun	2,150 L	(702)	-	(-)
Henderson Highland	Aug	1,000	(1,300)	1.4	(1.31)
Hibernian Group	Jun	2,640‡	(61)	1.9	(1.75)
Hogg Group	Jun	8,260	(7,270)	3.15	(3.0)
Holt (Joseph)	Jun	3,350	(2,760)	8.0	(8.0)
Hornby Group	Jun	541	(1,430)	-	(-)
Ibstock Johnsen	Jun	7,200	(22,200)	3.35	(2.35)
Independent News.	Jun	5,210‡	(4,760)	5.0	(4.5)
Johnston Press	Jun	3,880	(3,480)	2.0	(1.75)
Jove Invest.Trust	Aug	630	(587)	3.7	(3.49)
Lep Group	Jun	1,900	(10,400)	-	(2.0)
Macallan-Glenlivet	Jun	3,330	(3,240)	0.23	(0.2)
Mayborn Group	Jun	1,290	(401)	1.4	(1.3)
McLaughlin & Harvey	Jun	4,900	(257)	-	(3.38)
Meggitt	Jun	12,300	(12,200)	6.2	(1.1)
Meistrax	Jun	3,300	(3,280)	1.0	(0.91)
PPG Hodgson	Jun	3,500	(6,300)	1.0	(2.1)
Porth Group	Jun	1,820 L	(1,520 L)	-	(0.8)
Quarto Group	Jun	1,210	(1,270)	1.8125	(1.5)
Redland	Jun	78,800	(???)	8.25	(8.25)
Ross Group	Jun	501	(746)	0.03	(-)
Rutland Trust	Jun	3,900	(6,600)	0.27	(0.27)
Schroders	Jun	-	-	5.0	(4.0)
Spirax-Sarco	Jun	10,200	(12,000)	8.7	(8.7)
T&S Stores	Jun	7,100	(8,240)	2.25	(2.0)
Tarmac	Jun	18,200	(97,800)	3.0	(3.0)
Tavistock	Jun	81	(78)	-	(-)
Third Mile Inv.	Jun	230 L	(879 L)	-	(-)
Travis Perkins	Jun	5,470	(13,700)	2.5	(2.5)
TV-am	Jul	5,700	(11,800)	4.0	(4.0)
United Newspapers	Jun	38,800	(58,600)	7.5	(7.5)
Vickers	Jun	4,300 L	????	3.7	(3.7)
Whatman	Jun	4,370	(5,020)	2.9	(2.5)
Wolstenholme Rink	Jun	1,240	(1,860)	6.3	(6.3)
World of Leather	Jun	41	(408)	-	(-)
Youghal Carpets Hdg.	Jun	1,690‡	(871)	-	(-)
Yule Catto	Jun	9,870	(9,390)	2.3	(2.0)

(Figures in parentheses are for the corresponding period.)
*Dividends are shown net pence per share, except where otherwise indicated. L = loss.
‡ = Irish Currency. ◆ 24 week period compared to 26 weeks. *American Dollars.

RIGHTS ISSUES

Meggitt is to raise £39.6m via a 1/3 rights issue at 80p
Porter Chadburn is to raise £20m via a 1/2 rights issue at 65p
Domino Printing is to raise £15.3m via a 1/4 rights issue at 310p
Record Holdings is to raise £5.8m via a 3/11 rights issue at 35p

RESULTS DUE

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
Amstrad	Thursday	0.40	1.00	0.40
Beaverco	Monday	1.50	-	-
Beckman (A)	Tuesday	1.63	3.15	1.63
Bristol Channel Ship Repair.	Monday	-	-	-
Cooper Clarke Group	Friday	1.50	3.00	0.60
Creston	Friday	0.70	0.30	-
Guilford	Thursday	0.95	3.30	0.95
Halstead (James)	Friday	4.00	6.50	4.25
Intereurope Technology Serv.	Wednesday	2.00	5.40	2.02
International Resort Hdgs.	Monday	1.50	2.00	-
Magnetic Materials Group	Tuesday	0.90	2.10	0.90
Norex	Thursday	-	1.00	-
Oscory Estates	Tuesday	0.40	0.45	0.40
Pict Petroleum	Thursday	-	-	-
Raine Industries	Tuesday	2.00	3.75	2.00
Renishaw	Wednesday	2.00	4.00	2.00
Welsh Industrial Inv.Tst.	Friday	-	4.00	-
INTERIM DIVIDENDS				
Alexon	Tuesday	8.00	8.50	-
Allied Partnership Group	Monday	1.00	0.50	-
Arcoelectric	Tuesday	0.48	0.58	-
Ash & Lacy	Wednesday	2.50	3.90	-
Baillie Gifford Technology	Monday	-	1.40	-
Bank of Scotland	Wednesday	2.00	3.10	-
Billon (Percy)	Friday	5.40	12.04	-
Bluebird Toys	Wednesday	-	-	-
Bocery & Hawkes	Tuesday	4.00	12.40	-
Boehrom	Wednesday	2.50	3.50	-
Burnfield	Tuesday	1.65	3.85	-
Claremont Garments Holdings	Wednesday	-	-	-
Clinton Cards	Thursday	1.50	3.75	-
Computer People Group	Monday	2.10	4.10	-
Dolphin Packaging	Tuesday	1.50	2.80	-
El Ore Mining Exploration	Monday	-	24.0	-
ERA Group	Monday	-	-	-
Etam	Thursday	1.20	4.85	-
EW Fest	Wednesday	1.10	2.75	-
Fired Earth Tiles	Monday	1.62	2.40	-
Forte	Thursday	2.75	7.15	-
Headline Book Publishing	Monday	-	-	-
Hewden Stuart	Thursday	0.82	2.17	-
Higgs & Hill	Wednesday	6.0	14.0	-
International Comm. & Data	Wednesday	-	-	-
Ipsco Holdings	Wednesday	1.20	2.00	-
LGW	Wednesday	-	-	-
Lamont Holdings	Wednesday	3.60	8.50	-
Laser-Scan Holdings	Monday	-	-	-
Martin (Albert) Holdings	Thursday	1.80	2.60	-
Next	Thursday	0.70	-	-
Remco Oil Services	Monday	-	2.00	-
R.E.A. Holdings	Wednesday	-	4.00	-
Scottish Television	Friday	5.75	23.00	-
Sears	Tuesday	1.52	3.65	-
Serif Cowells	Friday	1.50	0.50	-
Sheffield Insulation	Thursday	1.60	3.60	-
Sherwood Group	Thursday	3.20	0.90	-
Steetley	Monday	5.00	9.00	-
Sykes-Pickavant	Tuesday	2.25	3.60	-
Ward Group	Tuesday	2.40	4.80	-
Watts,Blake,Bearne & Co.	Tuesday	2.70	6.60	-

*Dividends are shown net pence per share and are adjusted for any intervening scrip issue.

The Focused Investor

Ten top tips for cautious savers

NONE of us wants to lose our hard-earned money. Safety of capital is, for many, the paramount consideration.

There are really four dangers to guard against: fraud, market risk, company collapse and inflation. Thankfully, relatively few UK investors lose their money through fraud; and they usually do so via special "schemes", devised by small companies and individuals, which offer exciting returns. The best rule to follow to avoid fraud is that *if an investment seems too good to be true, it probably is.*

Avoiding market risk is rather more difficult, as any investor who bought shares in September 1987 will have found to his cost. Save for a few specialist funds, it is impossible to guarantee your capital via equity investment.

There are two ways to avoid the impact of a company collapse. One is by spreading your investment with as many companies as possible. There is a limit to this process, however, since many institutions promise higher returns for bigger investments. The second route is to invest purely in government-issued securities such as gilts or national savings certificates.

Finally, do not forget that you need to preserve the "real" as well as the nominal value of your capital. At 5 per cent inflation, prices double every 15 years, so a sum of £10,000 today will be worth just £5,000 in 2006.

Few investments conquer all four safety hurdles but here are ten products which offer security in various forms.

1 Bank accounts

BCCI depositors may laugh at the notion that bank accounts are safe. They are, however, up to a point. A compensation scheme covers 75 per cent of the value of sterling deposits up to a maximum of £20,000 (the maximum compensation is therefore £15,000). That said, it is virtually impossible to imagine the government allowing any of the big four banks (Barclays, Lloyds, Midland and National Westminster) to go under without being rescued.

2 Building society accounts

The position of building society depositors is even safer than of those who invest with banks. Deposits in building society are covered up to 90 per cent of £20,000 (maximum compensation of £18,000). However, the movement is quick to rescue its weaker brethren by merger and according to the Building Societies Association no depositor has lost money through the failure of a society, "certainly since before the war and probably since the 19th century".

Of course, except in the rare cases of corporate collapse, both bank and building society accounts offer return of capital.

If an investment seems too good to be true, it probably is, says ***Philip Coggan***

3 Tessas

A Tax Exempt Special Savings Account from a major bank or building society offers the same security as a conventional account, plus the bonus of tax-free income if held for five years. If you are going to hold long-term savings in a bank or building society, it is silly not to have a Tessa.

4 Guaranteed Income Bonds

Another product that normally comes with deposit protection added, if issued by an insurance company. The Policyholders Protection Act guarantees to pay out 90 per cent of the sum invested, without limit. Guaranteed income bonds pay a set income for a set period of time; capital will be returned in full, although there is no protection against inflation.

5 Cash unit trusts

These relatively new products allow the investor access to money market interest rates in a unit trust form. As with other unit trusts, they are covered by the investors' compensation scheme, which guarantees the first £30,000, plus 90 per cent of the next £20,000 (maximum compensation is thus £48,000). Unlike other unit trusts, however, they are unlikely to go down in value, because they are largely invested in deposits. Charges are also lower than on equity-based unit trusts.

6 Guaranteed equity funds

These products offer investors participation in the equity markets, allied to protection against the loss of their capital. A current example is the ELSA from Allied Irish Bank, which promises the rise in the FT-SE 100 Index if held for five years, or 30 per cent, whichever is the higher. This protects the investor against market risk but the "guarantee" is only as good as the company that offers it. Any gain on ELSA will be taxed as income, not capital gains.

7 Fixed interest gilts

When it comes to safety, government-issued securities cannot be beaten; the UK government will not go bust. Gilts are long term bonds issued by the government, and pay a fixed rate of interest. There is a market risk – prices of gilts normally fall when interest rate rise. In the past, fixed interest gilts have also been badly affected by inflation.

8 Fixed interest national savings

National savings certificates offer fixed interest returns, in a slightly less flexible form than gilts – they have to be held for five years to pay their full rates. However, there is no market risk – the capital value cannot fall. Basic rate taxpayers should opt for the capital bond, which pays 11.5 per cent gross; higher rate

payers should opt for the 36th issue, which pays 8.5 per cent tax-free.

9 Index-linked gilts

These have a number of attractions to the safety-first investor. For a start, their redemption value is linked to the rate of inflation which means that, barring an economic revolution, their value cannot go down. They thus offer the security of government-backed paper, no market risk, and inflation protection. In addition, most of the return comes in the form of capital gain and is tax free. Their only real disadvantage is that they only pay a small (index-linked but taxable) income of 2 or 2.5 per cent. Currently, however, they offer a real (after inflation) return to redemption of 4 per cent.

10 Index-linked national savings

Regular readers may know of my enthusiasm for this product, which pays 4.5 per cent over the rate of inflation tax-free if held for five years. Should the Retail Prices Index fall over a month, their value can drop accordingly; but the repayment value cannot fall over a 12-month period. They thus have no market risk, and have the security of government backing. The only disadvantages; they pay no income and the real returns are lower if the certificates are surrendered early. They will be more attractive then the 36th issue, if inflation is higher than 4 per cent over the next five years. They will do better than conventional gilts for higher rate taxpayers if inflation is above 1.2 per cent.

Diary of a Private Investor

What exactly *is* a market?

WHEN IS a market not a market? When it is the London stock market dealing in shares of some small companies.

Earlier this year, my "portable pension plan" bought some shares in Abtrust Scotland. I was attracted to this investment trust partly because one of its largest holdings is in Caird Group. Shares in Caird have risen rapidly this year, from 42p to more than 110p.

In 1990, Abtrust Scotland acquired Wightman Holdings, which brought around £2m of assets, most in liquid form, to the company. Part of the consideration for this acquisition was satisfied by the issue of more than 7.5 m new shares in the company at 27.5p per share.

As the highest price Abtrust Scotland have reached this year is 22p, I thought that whoever had acquired Abtrust Scotland shares for 27.5p might be rather disappointed and would be urging the company to improve its performance, and share price.

After my experience with the collapsing share price of Gresham House Investment Trust (from 300p to 50p in five months) I became much more wary of trusts investing (like Abtrust Scotland) in unquoted companies. Perhaps the pension plan should sell its 25,000 shares in Abtrust Scotland?

I contacted the broker-manager of my pension plan on August 21 and asked him to sell the Abtrust shares. The market maker was only prepared to buy 250 shares at a time, for 17p each – a deal worth just £42.50 before commission and other costs!

I thought this was ridiculous. It had been easy enough to buy 25,000 Abtrust Scotland shares, and the company was capitalised at £6m, so it was not as if my proposed share sale would represent a large percentage of the company changing hands.

My broker continued to check the dealing position of Abtrust Scotland – but there never seemed to be any buyers; not even at a reduced price, unless I sold them in parcels of 250 shares at a time.

According to Abtrust Scotland's annual report it has two stockbrokers: Cazenove & Co and Campbell Neill & Co. Surely they ought to be able to organise a better market in the company's shares?

I wrote to George Robb, chairman of Aberdeen Trust, the company which manages Abtrust Scotland in return for a management fee, of two per cent of the total gross assets of the company, together with "approved expenses." Abtrust Scotland owns 3.8 per cent of Aberdeen Trust.

In response to my query concerning lack of liquidity, Robb replied: "The situation to which you refer is unfortunately all too common in the case of many smaller companies in the UK, particularly those like Abtrust Scotland where a minority of institutional shareholders own the vast majority of the shares and are long-term holders."

"It is also unfortunate that at the moment investment companies specialising in unquoted investment are unfashionable, resulting in a discount to asset value which makes the issue of further ordinary shares, and hence improvement in liquidity, very difficult. I am sure that in the fullness of time the fashion will change and a more realistic value put on such companies, but it is of course impossible to predict when this will happen."

According to Robb, there is "a very important reason for the company having a listing on the stock exchange, for without this it would not qualify for investment trust status, bringing with it freedom from internal capital gains tax."

My broker phoned Robb and the price offered was 15p per share, against a supposed "bid" price in the market of 17p. As the shares, even at 17p, were supposedly standing at a discount of over 40 per cent to the company's net asset value, the offer was declined.

What is puzzling is why the market makers do not quote a realistic price (and have this listed in the *Financial Times*) rather than only wanting to deal in small numbers of shares. If 15p is all anyone is prepared to pay for the shares, then surely that is the price that should be quoted, not 17-18p?

Liquidity in small companies appears to be rapidly getting worse. For example, my pension plan already owns shares in the investment company British and American Film Holdings. My stockbroker tells me there is now "no market making activity whatsoever" in the shares.

I first bought shares in the company in 1985, paying 183p per share, and have remained impressed by the company's chairman Sir John Woolf, who has consistently managed to outperform the FT All Share Index.

According to the company's latest report, as at May 3 this year, the value of the company's investments and cash, excluding film rights, was equivalent to 864.9p per share. The film rights included films such as *Oliver!* and *The Day of the Jackal.*

I asked my broker in June this year to see if he could acquire a further 500 shares in the company for my pension plan, as I had noticed from the *Weekend FT* that occasional deals had been done at around 575p-615p per share.

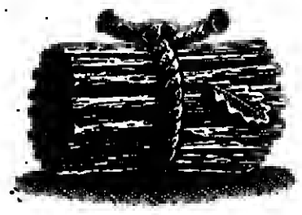
On June 17, the pension plan's interest was placed on the broker-to-broker screen as a buyer of 500 shares at 620p. It took until July 17 before a deal could be done.

Surely there must be a way of increasing liquidity in the shares of small companies – or at least making more people aware of who is prepared to buy or sell shares.

It is a pity that legislation designed to "protect" the investor would prohibit an *Exchange and Mart* style page in the *FT* in which private investors could cut out the "middle men" (brokers and market makers) and advertise their share requirements to each other and deal direct, accepting – as adults – that they ought to take their own precautions against dealing with possible crooks.

Kevin Goldstein-Jackson

INVESTING IN THE STOCKMARKET ACCORDING TO Saints:



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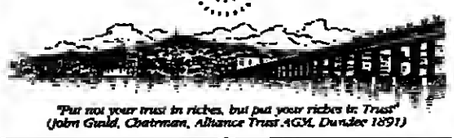

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*Source – Martin Currie Investment Management Ltd based on Micropal ten year statistics relating to £1,000 invested on 1 September 1981 equally in The Scottish Eastern Investment Trust plc, Securities Trust of Scotland plc and St Andrew Trust plc, with income re-invested. Ten year figures are not available for the Martin Currie Pacific Trust plc as it was launched only six years ago.
**Source – Micropal. Based on £1,000 invested on 1 September 1981 for ten years with income re-invested.

FINANCE AND THE FAMILY

Directors' Transactions

FOLLOWING the demerger of Vodafone from Racal Electronics, the board made a substantial display of confidence with the purchase of almost £6.5m worth of Racal shares at prices between 47p and 51.5p. Sir Ernest Harrison, chairman and chief executive, sold Vodafone shares worth £5m, reinvesting £2.5m in Racal. The next morning Williams Holdings *announced an uninvited offer* for the company, with the share price rising sharply on the news.

Among the three directors purchasing shares in Rea Brothers, was Glen Moreno, a recently appointed director of the company and also president of Fidelity International, the overseas arm of the US investment group. We have seen several instances of director buying in small London merchant banks in recent weeks. Their profits are depressed because of write-offs for bad debts, and in many instances the banks have asset values sharply above their share price.

It is interesting to note that the 15 directors of British Aerospace in the last annual report held an average of 513 shares each. It is hard to find an instance where the directors of a quoted company own fewer shares, so the small recent purchases are encouraging.

Sales in ASW, Radius and *AB Electronics are worth noting*, with all prices well off their high and following further substantial sales made recently.

Angus MacDonald, Directus

■ On July 20, we started four portfolios to help investors see the success of various stock-picking methods. One of those portfolios was based on directors' share dealings. The full list of 10 shares has now been compiled: ADT, Allbrighton, Barry Wehmiller, Evode, Hunterprint, Linread, MANWEB Electricity, MY Holdings, Stirling Group and Wheway.

DIRECTORS' SHARE TRANSACTIONS IN THEIR OWN COMPANIES (LISTED & USM)

Company	Shares	Value	No of directors
SALES			
AB Electronics	653,636	627	2
Assoc Brit Ports	25,000	95	1
ASW Holdings	50,000	118	1
Berkeley Group	50,000	172	2
BET	200,000	444	1
Bradstock	450,000	743	4
Capital Radio	93,240	205	1
Charter C'solidated	12,521	66	1*
Laird Group	25,611	71	1*
Macro 4	50,000	180	1
Pittencrief	25,000	34	1
Radius	130,000	61	1
Rathbone Bros	256,500	808	9
Sainsbury J	34,090	120	1
Sandell	747,500	250	1
Scapa	119,685	209	1*
Tibbett & Britten	18,000	90	1
Vodaphone	1,500,000	5,025	1
Warner Howard	25,000	58	1
PURCHASES			
Borthwicks	99,000	33	2
British Aerospace	12,500	51	2
City Merchants Incm	25,000	24	1
Cookson	10,000	13	1
Cookson (ADRs)	40,000	$94	1
Glaxo (ADRs)	2,000	$84	1
Greenfriar Inv Co	8,000	23	1
Merlin Int GreenFnd	125,000	96	1
Oriel Group	12,250	21	1
Racal Electronics	6,490,000	3,184	5
Ransomes	50,000	26	1
Rea Brothers	110,500	36	3
Wood (SW) Group	125,000	50	1
Xtra-Vision	500,000	35	2

Value expressed in £000s. Companies must notify the Stock Exchange within 5 working days of a share transaction by a director. This list contains all transactions, including the exercise of options (*) if 100% subsequently sold, with a value over £10,000. Information released by the Stock Exchange 16-20 September 1991.

Source: Directus Ltd, Edinburgh

The lethargy of the bulls

Charles Wyatt looks at activity levels in the stock market

THE BULL market is proving slow to mature, in spite of aburst of bids. The underlying level of trade is not that of a healthy bull market and the position cannot be guaranteed to improve even if all the current bid rumours come to fruition.

Last week saw a spurt in volume as three big companies threw their hats in the ring to signal the reopening of the takeover season. Trade concentrated, however, on the companies concerned, their intended victims and a few other possible bid targets such as Sears and Allied Lyons.

The maverick in all this was Asda where turnover amounted to 15 per cent of total equity. Every man and his dog seemed to be selling as the shares fell by 32p to 70p, but there has to be a buyer somewhere. The shares should be kept under review in spite of the performance of the company and its leaderless board.

Otherwise there was little sign of a change in the lethargy which has pervaded the market in recent months. This is strange considering it has been on a bull tack for the best part of a year, but a partial explanation can be garnered from activity levels.

Rises outpace falls each week, but the number of stocks on the move amounts to less than 40 per cent of the total. This time last year 46 per cent were active, although not upwardly.

Selection has been uppermost in the minds of fund managers with little attention being paid to smaller companies. But this has provided just the right climate for big companies to reassess and, in some cases, act on takeovers.

Bidders quietly buy all the stock they can, at the lowest prices possible, before making a move. With Beazer and Racal, camouflage was readily to hand in the shape of the flotations and this took volume analysts' eyes off the ball.

They will have noticed that customer trade in Beazer shot up to three times its average a couple of weeks earlier, and that both customer and intra market trade in Racal was building steadily. Most would have put these anomalies down to pre-flotation tactics. And all would have been fooled by Hawker Siddeley where volume moves in inverse proportion to the scale of bid rumours ... until BTR made its move.

Perhaps they will get it right with Cadbury Schweppes which has been a bid perennial since 1987 when General Cinema of the US bought around 10 per cent in a dawn raid less than a month after the Crash. The holding has since been dispersed so the stakebuilder responsible for the latest volume anomaly must be sought elsewhere. Philip Morris, of the US, has been mentioned as a possible contender but "when"? is more interesting to investors than "who".

As our chart shows there has been exceptional activity in the stock in recent weeks with heavy intra-market trade – see bar chart – overlaying weekly customer volume which previously averaged only 4.3m shares.

The share price bottomed at the end of June and then swiftly adjusted to a trading range about 30 points higher. Cumulative volume took a little time to catch up, but then outpaced the price trend in recognition of the growth in buying volume, before settling back to await the interims. These results were better than expected and halted profit takers in their tracks.

Attention is now focused on whether or not stakebuilding took place in the week ending August 23 when both customer and intra-market trade rocketed. At the same time, however, the price fell slightly and this is unusual as high volume tends to accelerate price movements in either direction.

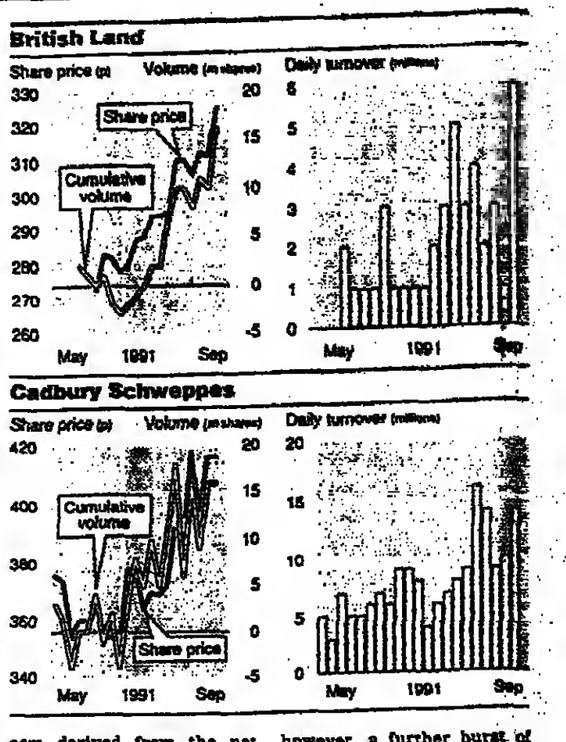
The likelihood is that market makers did a good job in accumulating stock for an aggressive buyer. This could have left market makers a bit short of stock, hence the rise in price the following week. This makes Cadbury shares an interesting bet.

No bid speculation surrounds British Land. In fact the property sector has only just been superseded as the least favoured sector of the market after a run of five months. The cuts in interest are obviously expected to take time to filter through the system, but British Land seems to be gaining credence as a swift case for recovery.

The first hint that knowledgeable investors were reassessing the company came at the beginning of August when the price rose on a burst of volume. More important, cumulative volume, which is a measure of investor enthusiasm derived from the net increase/decrease in purchases of stock, moved significantly closer to the price trend.

This support was clear over the next five weeks when the price ran into a resistance level at around 310p. Last week, however, a further burst of customer trade got the share price underway again. Consistently higher volume would suit British Land shares – as well as the rest of the market.

Charles Wyatt runs the company Volume Analysis



Expatriates/**Donald Elkin**

Demand a change in the law

BRITAIN'S 2m expatriates seem to receive scant attention when the UK's taxing statutes are formulated.

The rules relating to pensions are a case in point. Presumably, no-one would disagree that an individual's desire to provide himself with a pension in retirement is a praiseworthy aspiration, deserving encouragement.

Try telling that to an expatriate. If you choose to spend your working life in Singapore rather than Southampton, there is precious little incentive to save for a pension under UK tax law. Should you be seconded overseas by your employer, the Superannuation Funds Office of the Inland Revenue may permit you to remain a member of the UK scheme for up to 3 or 10 years, provided that there is a definite expectation of a return to the UK.

If your overseas employer has a scheme of his own, you may be entitled to become a member but, if the scheme is not UK approved, you should take great care in relation to any lump sum benefits after your UK residence resumes.

The law does not recognise expatriate personal pension plans at all. Even if you were a member of such a plan before your departure overseas, your contributions will have to cease – for the reason that your maximum contribution is between 20 per cent and 40 per cent (according to age) of your "net relevant earnings".

Since these words, broadly speaking, encompass purely UK taxable earnings, the figure for most expatriates will be nil. The advantages of a UK approved pension scheme are tax relief for the contributions paid and total exemption of the fund itself. The *quid pro quo* is, of course, liability on the pension when it is paid.

Obviously, since expatriates pay no UK tax on their salaries, they would not expect relief in respect of their savings for retirement. But the absence of exemption on these accumulations can cause them considerable problems. While they remain non-resident, all is well, since by investing overseas all UK tax is avoided.

Thereafter, full income and capital gains tax liability applies – which is particularly disadvantageous for those who have a further period of employment in the UK before retirement and when tax rates are high. To add insult to injury, the income generated by such savings has always been treated as "unearned" whenever an investment income surcharge applies. Labour is committed to reintroduce a surcharge, if elected.

It is not without significance that, following the recent Inland Revenue crackdown on offshore portfolio bonds, many cries of "foul" came from former expatriates who were using them as do-it-yourself pension plans.

Happily for those Britons who work abroad, the UK and its offshore islands have a highly innovative financial services sector which has done all it can to fill the pensions gap in the total absence of any UK legislative framework. The result is a multiplicity of schemes, each with its own special features, falling, however, into three main groupings according to whether they are based on (1) ten year policies, (2) single premium bonds or (3) Jersey Section 131C plans or the equivalent.

The first group can provide tax free proceeds on maturity even if the policyholder is then a UK resident, although to achieve it, the overseas policy must be converted into a UK qualifying equivalent within one year of resuming residence there. Fragmentation of the policy allows one or more parts to be cashed yearly.

By contrast, plans based on single premium investment bonds can only defer tax until the benefits are drawn.

In tax terms, Jersey Section 131C policies – which are approved pension plans in the island but not in the UK – are similar to the single premium investment bond type. Most importantly, they have provided the means by which expatriates may gain access to the with-profits funds of big UK insurers such as Clerical Medical & General and Norwich Union.

The benefit for the would-be pensioner is that he can delegate investment decisions to the insurance company and sidestep the volatility of unit-linked funds. Bonuses, once attached to a policy, cannot then be removed.

The best type of plan for you, and the best time to encash it, will depend upon your circumstances. But in the longer run, you might get a better deal by writing to your MP, if you have one, demanding a change in the law.

Donald Elkin

Donald Elkin is a director of Wilfred T Fry Limited of Worthing, West Sussex.

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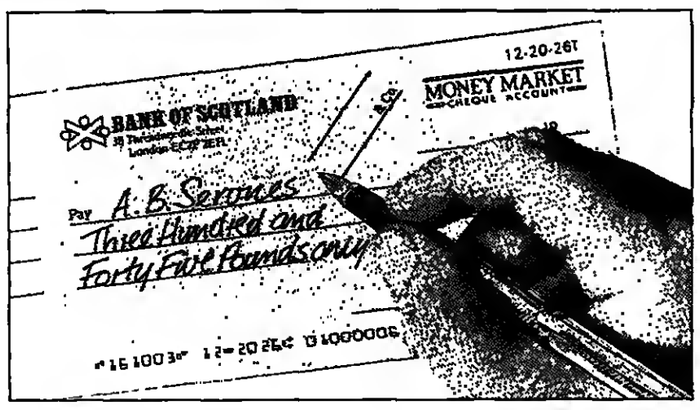

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FT 28/9

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A dish that drives me round the bend

MY HOME IS terraced and the purpose-built access drive to *all the garages for the terrace* passes by the end of one house. The house and the garage are shown on the land registry documents and it is clear that the householders must gain vehicular access to their garages by means of the drive.

The residents of the house abutting the drive are obstreperous, and have recently had a satellite dish installed on the wall of their home which juts into the space above the access drive. The terrace and garages are a purpose built development and the registry show that this property ends at the wall from which the dish projects. Are the owners of the house by the drive entitled to *obstruct the communal access* in this way?

■ The owners of the house which abuts on the driveway are not entitled to obstruct it, whether by means of a satellite dish or otherwise. It is a question of fact whether the dish makes it materially more difficult for vehicles to negotiate the drive: if it does not there is not *such an obstruction as to* amount to an interference with your rights of way over the drive. The owner of the drive is in a stronger position, as he can insist *on* the removal of anything trespassing in the air space above his driveway, however slight the infringement.

On course for a capital gain

IN 1982 I bought a share in a golf club in Spain so that my wife and I could become playing members when on holiday. We have each paid the annual subscription from 1982 until 1989 when I wrote to the club handing in our resignations and offering the share in the club for sale.

The share had appreciated in value and its sale realised a gain in excess of the Capital Gains Tax Allowance for the current year. Am I liable to pay CGT on this? I would have thought not since the purchase of the share was a requirement before we could join the club and was not an investment.

■ *Capital gains tax extends* in principle to disposals of all types of asset, as defined in section 19(1) of the Capital Gains Tax Act 1979:

"All forms of property shall be assets for the purpose of this Act, whether situated in the United Kingdom or not, including:
a) option, debts and incorporeal property generally; and
b) any currency other than sterling and
c) any form of property created by the person disposing of it, or otherwise coming to be owned without being acquired."

Q&A BRIEFCASE

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

A free introductory pamphlet to capital gains tax (CGT14) is obtainable from your tax office.

If you had given us the precise dates of purchase and sale, that might have enabled us to give a more helpful reply (including the indexation percentage). If the purchase was before the end of 1981-82 the value of the shareholding at March 31 1982 will be relevant.

Depositor protection

YOU HAVE indicated that only building society investments up to £20,000 qualify for (partial?) reimbursement if a society ceases to trade.

My wife has an investment account with a society with which I also have two investment accounts. Does the £20,000 limit applies to each account, to each investor or to spouses jointly. What is the corresponding amount and ruling for bank deposit accounts in joint names?

■ The limit applies to each investor. The protection is only in respect of 90 per cent of the deposit (s) with a limit on the deposits of £20,000. Bank deposit protection is for 75 per cent of deposit(s) with the same ceiling of £20,000 on the total deposits.

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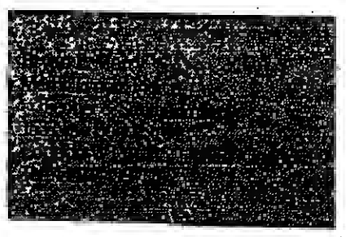

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MINDING YOUR OWN BUSINESS

Counting all the notes

***Garry Booth** talks to Jon Dabner about running a jazz venue*

"I'VE become an accountant. I didn't enlist for this." Jon Dabner, proprietor of London's most chic jazz club, the Jazz Cafe waves his arms around above his head. "Air conditioning is so expensive. Is this air conditioning on?" he asks no-one in particular. He tries to find a comfortable position on an unyielding stainless steel bar stool: "We should never have bought this furniture. Bloody waste of money."

Forty-four year old Dabner, one time schoolteacher and adventure playground overseer, is having a Mexicen beer in the Dudu Pukwana bar and reflecting on the problems of establishing and running an opbeat jazz club in a downbeat economy. He pays £100,000 a year rent (plus £12,000 a year to a neighbour to run his fire escape over his roof) and, nine months in, owes £500,000 to the contractors and suppliers who fitted it out. He had budgeted £250,000 for the tasteful if stark post-modernist decor and it cost three times the amount.

Now ha spends more time than he would like crunching numbers and soothing suppliers. He is performing the financial equivalent of circular breathing. So far he has managed to negotiate a deal with his contractor creditors to pay off an agreed amount per week into a central fund which is then shared out among them. "They were very enthusiastic when we started and put in a lot of work . . . the dumb waiter has never worked, mind you."

Dabner arrived on the jazz scene relatively recently. He made his mark with the original Jazz Cafe, in his home neighbourhood of Stoke Newington – a cosmopolitan quarter of north east London also inhabited by bedsit dwellers, media employed bohemians, Goths with dogs on string and lots of musicians.

He established the club in 1987 with a £50,000 loan, £25,000 from tha proceeds of re-mortgaging his house and £25,000 from four partners. It was tiny, a bar and bandstand being pressed into an old shop front, but it was consistently packed for the three years of its existence. The jazz scene was booming, so was the club. He even had a mini summer festival, the Seen on the Green, and bad made albums from live recordings taken in the club.

Dabner was soon looking for ways of expanding. He did not want to move out of Stoke Newington and sought permission from English Heritage to extend sideways into the three historically interesting sbopfronts it owns. Able to raise finance from the Borough of Islington bnt unable to persuade English Heritage that his conversion would not destroy their 17th century architecture, he moved on. Barclays had deserted an imposing building on another corner of Newington Green and was asking for offers of not less than £250,000. In the property boom of '89 it went to a developer for £650,000 and now stands as more or less empty office units.

"My personal crusade ended there," says Dabner "I stopped being a Stoke Newington liberal . . . and tried Islington." He waited nearly a year for planning permission to be granted on Imry Merchant's ideas for Islington Green where he hoped to return the disused Collins music hall to something approaching its former glory. Planning permission has not yet been granted.

Then at the end of 1989 he saw another Barclays Bank building for sale, this time in the centre of Camden. A north mecca for the hipsters, home to a wealthier bohemian fraternity than Stoke Newington and on the tube, Camden proved impossible to pass over.

Whitbread, the brewer, put in £250,000 at a preferential loan rate which depends on barrelage, tbe Newington Green club raised £100,000 and his house, £40,000. Membership schemes added £70,000 (the vanguard membership scheme which offered member plus guest one year's entrance for £150 proved so attractive it was stopped at 250 people and now costs £450).

Originally scheduled to open in September 1990, Camden's Jazz Cafe eventually opened in December to mixed reviews and a prosecution for operating without a license. "We were contracted to the artists, we had to open," says Dabner.

The jazzers welcomed a venue to rival Ronnie Scott's club for top shelf programming but resented the presence of poseurs who did not know their harmonics from their paradiddle. The poseurs were attracted by a hi-tecb gallery on which to preen but resented not being allowed to chat during concerts. Health & Safety officers were unhappy about the gallery design after a member of the audience was crowned hy bottles falling from the balcony.

Dabner's eclectic programming has kept most people sweet, bowever, with two sets a night from the famous (Joe Zawinul and Jackie Maclean, for example) and the unusual (the Cypriot Festival of Mediterranean Music).

But maintaining a fast moving programme and a large and shiny jazz venue in the deepening gloom of recession has been harder than Dabner could have envisaged, even with a membership base of 1,000 plus. "In recession, people don't spend so much. We had the attendance figures right, we had overestimated bow much people eat and drink in a slump. You'd think they'd drink more wouldn't yon?"

In these conditions, booking expensive top-line jazz artists can be risky for a club with a capacity crowd of 350. One famous pianist cost him £12,000 for six nights: "But witb a turnover of £50,000 over that week, that's good business," says Dabner. Others have extras that test Dabner's budget and administrative powers, like the US super group whose members demanded "junior studios" in Mayfair at £1,000 per week rent in their contract.

"That's wby I've had to move away from what I enjoy. Instead of getting involved in the music, I manage. I do the books and I negotiate," he says. And can his solo improvisation last until people can afford to stand more than one round of drinks?

"Put it this way, I wouldn't mind calling it the Sony Jazz Cafe or the Perrier Jazz Cafe if that's what It takes to secure its future."

Persuading the poseurs to drink: Jon Dabner, owner of the Jazz Café, where the audience is spending less on refreshments

Journalists who found a new line

***Roy Hodson** on life after Fleet Street*

REMEMBER Fleet Street? The national newspapers, pulled the plug on the ancient street of ink a few years ago by fleeing to scattered locations, shedding the old printing methods on the way. Although *The Times* and *The Sunday Times* were not, geographically speaking in Fleet Street their move from Grays Inn Road to Wapping provoked and hastened the process of diaspora.

As Fleet Street drained away, a number of journalists from those two papers found themselves floundering without jobs. Accustomed to reporting and pontificating upon the affairs of big business a few of them saw a future in banding together to run a small business of their own.

Six years later, as members of a thriving cooperative called Professional Writers, tbey report that a skilled writer can, indeed live by the pen. But harsh experience has taught them meantime that writing is one of the most difficult of all products to market. They have had to be prepared to tackle everything that has come their way, from weigbty company histories to a brochure for a football club.

Two former *Sundoy Times men*, Stephen Aris and Berry Ritchie, were in their mid-forties with families and mortgages when they found themselves without staff jobs for the first time in their working lives. They decided to tackle the situation as one of the business problems they were ao accustomed to writing about.

If tbere was a market for writing, they reasoned, then they were in a position to harness the professional expertise of some of the best national journalists who, like them, had left staff jobs and were trying, with mixed success, to "go it alone" as freelances.

Aris and Ritchie noticed that photographers were used to selling their work through agencies, while writers, by and large, were strangers to the system. So they set up Professional Writers on the same lines as a photographic agency – finding writing commissions in the business world, selecting writers to carry out the work, and paying for the agency by taking a percentage.

Since then several hundred company reports, chairmens' speeches, company histories, brochures, and other pieces of assorted writing, have been coaxed from the word processors of the Professional Writers' team.

About a dozen writers, all working from their homes, make up the Professional Writers stable. Numbers fluctuate as people are lured back into staff jobs or disappear overseas on long assignments.

Current members include Michael Leapman, William Kay, Jonathan Hunt, Nicholas Faith, Richard Lander and Dominic Hobson. Unlike all the others, who were raised in journalism, Hobson is the first of a new breed for Professional Writers. He is a former merchant banker who has turned to writing.

'Most companies find they have more explaining to do'

Aris and Ritchie, whose main fixed overbeads are a renting a small office and paying a marketing manager, responded to the warning bells of recession last year by, as Aris puts it, "making a tight ship even tighter". Overheads, never big, were cut to a minimum except in marketing.

This year is exceeding their expectations, however, and will be their best yet, with turnover likely to be between £200,000 and £250,000 against tbe £180,000 they had forecast. Turnover was £33,000 in the start-up year 1985-6. It has risen steadily every year.

Trying to analyse their success during recession Aris believes it is because they have clung to their core business of writing company reports. He says, "Companies have economised on design and public relations, and advertising, but there is still a need to write and produce a decent annual report. Indeed, most companies find they have more explaining to do. They are giving more tbought to telling the world why they have got where they are".

Professional Writers bases its business on a standard charge to companies of £600 a day, or £75 an hour. It makes a net profit before tax for its two owners of up to 20 per cent. The delicate end of the business - indeed, the one that keeps Aris as business manager bnsy for bours a day, is fixing fees and working arrangements with his writers which will satisfy them while keeping the agency afloat. The actual fees negotiated witb individuals are very private affairs indeed, both to protect writers' reputations and to protect the agency from having its stars poached.

A second life-line for Professional Writers during the recession bas been tbe high percentage of repeat business they have won. In the last year more than 60 per cent of their work has been from clients who have used tbe service previously.

This year they have written the annual report for 3M in Britain and have followed that witb an employee report for the group and a brocbure about a quality programme. They have begun writing the copy for the London Stock Exchange News on a regular basis with Richard Lander as the contributing editor. Ritchie, meanwhile, has been deep in the archives of the brewers Whithread for the last six months writing a history of the company to celebrate its 250th anniversary.

Other writers have turned in annual reports for Visa, Pearl Assurance, Land Securities, and Costain, while Aris has completed a descriptive brochure for Arsenal Football Club inviting fans to subscribe £1,000 a bead for named seats in its planned £22.5m stand.

■ *Professionol Writers. 32 Fitzroy Square, London W1P 5HH, 071-388-1675*

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and
IN THE MATTER OF THE COMPANIES ACT 1985 - 1989

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AND NOTICE IS FURTHER GIVEN that the said Petition is directed to be heard before Honourable Mr Justice Hoffmann at The Royal Courts of Justice, Strand, London WC2X 2LL on Monday the 7th day of October 1991.

ANY Creditor or Shareholder of the said Company desiring to oppose the making of an order for the confirmation of the said reduction of share premium account should appear at the time of hearing in person or by Counsel for that purpose.

A copy of the said Petition will be furnished to any such person requiring the same by the undermentioned solicitors on payment of the regulated charge for the same.

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Legging it in the fashion stakes

Buy yourself an early Christmas stocking, says ***Sasha Jensen***

ONCE UPON a time there were stockings, then there were tights and now we have leggings. Anybody who does not own a pair of leggings is likely to feel out of it this winter.

Most women can wear leggings so long as they are the right colour and the wearer has confidence. Apart from the fact that leggings can go happily to any occasion, from disco to dinner party, the latest designs have made it possible to "dress up" or "dress down". The new embroidered range from Pineapple, for example, reveals a startling leap towards "designer" leggings. Who would have thought that Pineapple would be selling tights at £100 a pair?

The justification for that kind of price tag is to be found in the patterns and colours that Pineapple has used. Those with not-so-slim stomachs might like to know that there are now high-waisted embroidered leggings which come to below the bust and provide some control for the flesh beneath.

As many a fashionable woman discovered last winter, with Wolford Opaque Tights (£19.95) you can pick your mood – wear them as tights one day, leggings the next. The cut is just like an ordinary legging or tight, but it has a unique shine and a seam that runs down the back. The density of the fabric means that legs never feel too bare. This allows you to wear them anywhere, from the dinner-party to the cinema. They can be worn many ways – as tights topped by a skirt or, if you are youthful, as leggings with an *all-in-one-body over the top.*

For more conservative tastes, there are the ranges from Nichole Farhi and Joseph. Both specialise in "rib-knit" and "double-overlock" wool leggings, (£59 and £89). All this means is beautiful patterns in thick warm winter material – the overall effect is some way between trousers and leggings. This look is not for everybody – try them in front of a mirror as the thickness of the wool can add inches to the legs.

They come in creams, greys and blacks and are suitable for work or a day at the shops. A weighty jumper can be thrown over the top, slip on a pair of lofas and you have a complete outfit.

Joseph has produced a selection of co-ordinated jumpers, in the same patterns and colours but in varying weights from thick polo necks to light V-necks (from £135).

Nichole Farhi also has jumpers that work with its leggings – the "raglan sleeve" which has a thick seam running from the neck to underneath the arm, or the "slash-neck," which looks like it sounds.

Both are loose-fitting jumpers that fall to the top of the leg discreetly disguising any unwanted lumps or bumps. Prices start at £75. The young and impecunious, for whom this kind of look is most suited, are usually the very ones who cannot afford Farhi or Joseph prices.

They might look in one or two of the shops that are quick off the mark at getting out inexpensive versions of the prevailing look. Hennes, for instance, has some excellent and inexpensive versions of the ribbed tights and toning or matching sweaters and jackets to wear over them.

Hobbs has an interesting variation on the legging theme which it calls "joppers" (£46). What is different about the jopper is that it is wide at the thigh but tight from the knee down. When on it fits closely but the heavy lycra material makes it seem almost like a more elegant, tailored version of the legging. This increases the combination of clothes you can wear with it.

Those who are new to leggings may be wondering what on earth they should put on their feet. Trial and error, mixing and matching will give you *the answer* hint on the whole the small ankle boot is by far the most flattering accomplice. From flat heels which suit the longer leg, or bigger heels that accommodate the larger leg, there is a choice for all.

The reader who cares about legs should look out for the name Hue – an American company that has just recently arrived in the UK and seems to have found a myriad ways of dressing the legs.

Styles include the "floral-lace" legging (£34.50), which is a "Victorian-inspired" pattern in a thin lycra material, to thick sneded leggings, (£32.50). These are sophisticated styles that look much like brushed suede – nicest in brown or charcoal. But the most innovative designs are the "bell-bottom" leggings (£11.95) made from a fine nylon fabric – they look much like any other until they reach the ankle and flare out, Pierrot-like. These can be worn during the day or in the evening with either a jumper or jacket.

Lastly, there are the "baroque scroll" leggings – yet another option for the addict. One should wear these in the evening because of the stunning, velvet-print design. Look out for Hue in Fenwick of New Bond Street, Harrods and House of Fraser shops.

Where, then, is the dividing line between tights, leggings and joppers? It is hard to say. The definitions are blurred. Ski-pant leggings, always more functional than fashionable, seem to be on the way out. You can still get away with last year's plainer styles but this season's are showing much more variety of colour and texture.

In whatever shape or form suits you best, leggings are the most essential piece of clothing for the wardrobe at any time in the year. Be daring, be flamboyant.

The Barbarella catsuit £34.99 (left) and the lace-up catsuit (£37.99) are both available from Pineapple

These embroidered lace laggings in ivory or black are available at £34.50 from Fenwick

The world is your armchair

Hilary de Boerr shops abroad – without leaving her UK home

SHOPPING for Christmas gifts for friends and family abroad usually means combing the stores for something small, lightweight and inexpensive. Postal charges can double the price of a present and there is always the fear that it might end up in Katmandu, rather than Canada.

Interflora is an option, but you can send flowers only so often. And Harrods' hampers might not be compatible with your bank balance.

So why not shop abroad in the first place? You *can do so* from home so long as you have a credit card – Mastercard and Visa are most commonly accepted – and do a bit of pre-planning.

Mail order shopping is increasingly popular, particularly in North America. But finding a gift delivery service in the country of your choice can be *hard work. Museums* and art galleries are a good place to start, if you are familiar with the country, as many offer gift delivery services for a high quality range of gifts. Leading department stores are also a good bet. You can obtain addresses and phone numbers from the relevant high commission or embassy.

The list below gives an idea of what is on offer. You can write or fax to order a copy of company brochures – most are free. You can also telephone, but time differences, bad lines and bureaucracy can make it a frustrating and costly call. Remember that delivery charges will increase the price of your chosen gift, and allow plenty of time for receiving the catalogue and then delivering the gift. If you do not have a credit card, some companies will take local currency money orders or cheques.

Treasures of the Royal Ontario Museum, 100 Queen's Park, Toronto, Ontario, Canada, M5S 9Z9. Tel: 0101-416-586-8049. Fax: 0101-416-586-8069. The choice is wide and of high quality. Reproduction art includes a striking bronze Etruscan horse, pre-Colombian gold bird earrings, a Byzantine cross with quartz inlay and Russian pearl and amethyst jewellery. There are lots of gift choices under C$25 (£13), including glass goblets, a Mediterranean oil-lamp, porcelain silk road mugs, and solar system sweatshirts. Children are also well-served with games, books, and DIY kits ("Build and Erupt Your Own Volcano," "Make Your Own Time Capsule").

Clamshell Gift Shop, Vancouver Aquarium, PO Box 3232, Vancouver, British Columbia, Canada V6B 3X8. Tel: 0101-604-663-0562. Fax: 0101-604-631-2524. The aquarium's catalogue is full of items both fancy and fun: jewellery and ornaments in native Indian art designs, ornithological items such as bird callers and feeders, smoked salmon, scarves, T-shirts and educational toys. You can also adopt a fish for a friend or relative – C$20 (£10) for a Longnose Sucker, C$35 for a Poison Arrow Frog, C$100 for a Huma Huma Nuku Nuku Apu Aa – or give a gift membership to the aquarium (family membership C$40), including free admission, newsletters, lectures and more.

Tilley Endurables, 900 Don Mills Road, Don Mills, Ontario, Canada M3C 1V8. Tel: 0101-416-444-4465. Fax: 0101-416-444-3860. Tilley wear is all the rage in Canada, especially the famous Tilley hat at C$42 (£21), even worn by Canadian forces in the Gulf. The travel and adventure clothing is functional and probably more suitable for over-30s but the hat, accessories and some leisure wear would suit most people.

Collin Street Bakery, PO Box 79, Corsicana, Texas 75151, USA. Tel: 0101-903-872-8111. Fax: 0101-903-872-6879. This 95-*year-old bakery sends its* De Luxe Christmas cakes around the world (to 195 countries last year), and, even with the delivery charge, it is an affordable gift. A regular-size Christmas cake costs $13.35 (£7.70) with surface-mail delivery an additional $4.45 to Canada (allow four weeks), $10.45 to Japan (allow six weeks), elsewhere $4.45 (allow 8 to 12 weeks).

National Trust of Australia, Mail Order Dept, PO Box 9943, Melbourne 3001, Australia. Tel: 010-613-654-4711. Fax: 010-613-650-5397. Hand-painted silk scarves, embroidered pillow-cases, sterling silver jewellery, cotton T-shirts, toiletries, books and a good selection of garden and kitchen accessories – including the ubiquitous National Trust linen tea towel – are all available at reasonable prices for delivery throughout Australia.

Australian Wine Centre, "Down Under", South Australia House, 50 Strand, London WC2N 5LW. Tel: 071-925-0751. Fax: 071-839-9021. The London-based outfit will deliver wine anywhere in Australia for a £10 delivery charge. A case of Jacobs Creek red or white wine costs £48 (without delivery), a case of Seaview Brut sparkling wine £66, while a case of Petaluma Chardonnay costs £180. You can send any number of bottles – even a single bottle of Australian or French bubbly if you wish.

Don Whyte's Wineshop and Vintage Cellars, 210-212 West Coast Road, Glen Eden, Auckland 7, New Zealand. Tel and Fax: 010-649-818-6005. Don Whyte's offers a selection of wine baskets and hampers to help celebrate any occasion – ranging from the Good Times hamper at NZ$45 (£15) with wine, cheese and crackers, paté nuts and chocolate, to the De Luxe version at NZ$150, including champagne, wine, camembert, stuffed olives, caviar and truffles. It will also make a hamper to suit your ideas and include any message you wish. It can fax or post details of its services.

Friends of the Springbok Association, Friendship House, 49-51 Gresham Road, Staines, Middlesex TW18 2BD. Tel: 0784-465511. Fax: 0784-461322. For £6 a year you can join the association – catering to friends and relatives of people living in South Africa – and gain access to its gift service. Its free catalogue contains a small selection of traditional Christmas gifts, such as chocolates, Christmas cakes, and hampers, as well as personalised leather wallets and bath towels, stuffed toys, hand-cut lead crystal glasses, or a tea cosy or English countryside calendar. Place your order in Britain and the company will arrange delivery in South Africa. Membership, currently more than 40,000, also entitles you to monthly newsletters and reduced air fares to South Africa.

R.J. Hanson-Moore, 174 Greyling Street, Pietermaritzburg 3201, South Africa. Tel: 010-27331-451-300. Fax: 01027-331-456809. This leading South African publisher of charity Christmas cards operates mail-order catalogues for many South African charities, including World Wide Fund for Nature, the Wildlife Society, the National Council for the Blind, and the Nurses' Trust Fund. Gifts are affordable and similar to those offered by charity mail-order operations in the UK.

Leading Concepts, Private Bag X13, Maitland 7405, South Africa. Tel: 010-27-21-683-4959. Fax: 010-27-21-683-4888. South Africa's version of Britain's Innovations Magazine offers a restricted range of goods, updated every couple of months.

World Wide Fund for Nature, Hong Kong, GPO Box 12721, the French Mission, 1 Battery Path, Central Hong Kong. Tel: 010-852-526-1011. Fax: 010-852-845-2734. The Hong Kong branch of the WWF offers occasional gift items, this year's being the Hatchling collection. The wooden-boxed sets contain porcelain designs of either sea turtles (representing longevity), crocodiles (authority), quails (innocence), and mallard (freedom) in various stages of hatching from their eggs. At HK$120 (£9) it is a nice gift that also helps support wild life conservation and education in Hong Kong. Gift card included.

A. Andrews & Co (mail order), 38-44 D'Aguilar Street, 1/F GPO Box 2983, Central Hong Kong. Tel: 010-852-526-6471-6. Fax: 010-852-810-1025 or 877-2404. Its catalogue offers a wide range of household products and gifts including children's toys, musical instruments, videos and CDs. High handling costs mean minimum orders must be about £75, but it would not be hard to spend that much.

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Cookery/Philippa Davenport

Will a real tomato please stand up?

THIS IS the time of year when there should be a glut of tomatoes ripened on the vine and tasting of sun. Just the job for stuffing paunchily, slicing into salads, simmering to pulpy sauces, and so on. But what chance has the British shopper of finding anything approximating the real thing?

I am sick of tomatoes that are tomatoes only in name. The Dutch, our major suppliers, seem to have an uncanny knack for breeding out all the flavour. The British are obsessed by uniformity of looks and to hell with the taste. An Israeli producer once told me that he grew all his crops in duplicate, one lot for home consumption and a second watered-down version developed for British buyers. No wonder European countries feel free to fob us off with their seconds.

Are our palates really as indiscriminate, as unsubtle as they think? Do we really care so little about taste?

A few years ago I rejoiced at the arrival of plum tomatoes in Britain. Those first imports were few and far between. And pricy. But they were the real thing. Now plum tomatoes are widely stocked and much cheaper – but far less desirable. For today's offerings are only *soi-disant* plum tomatoes, often woolly textured and lacklustre in flavour, but oh so neatly shaped.

Having tested the market with the real thing, who decides, and why, that an inferior product will do for us?

The saddest tomato I have eaten this year was a monster created by Sainsbury, the supermarket chain. A cross between a tomato and a pepper and lacking the virtues of either, the company deems it "perfect for stuffing". I weep to think of the time, money and effort spent in developing it.

An inkling that food is a matter of concern for the tastebuds arrived in some shops this summer with boxes of tomatoes marked "grown for flavour". Food grown for flavour for the British market? Well I never. These "new" tomatoes are better (or should I say less awful) than the general run, but they are still a pale imitation of what the gardener can grow at home.

From moans to good tidings – at least for those who live near Egham, Surrey. Food writer Anna Del Conte, who probably knows and minds more about good tomatoes than most of us, took me recently to a pick-your-own nursery there. Called The Green Landscape, in Hurst Lane, it is run by two Sicilian brothers and sells tomatoes as they should be – richly flavoured, *firm and ripe*, not dull and mushy; fleshy, not cotton-woolly or awash with seeds; juicy, not watery.

There was a luscious small thick-skinned variety, which I was advised to choose for sauces. There were tiny cherry tomatoes and massive Marmande, as knobbly as nature intended, like a man's clenched fist, and full flavoured. There were traditional plum tomatoes and an unusual elongated plum variety with pointed ends. Some of these were label led "please do not pick"; they are being saved for seed.

Asked why their tomatoes taste so good the answer came "We use no chemicals. We don't force them in any way, just let them take their own time."

In addition to tomatoes, Green Landscape produce includes green and white courgettes, green peppers and three sorts of aubergine. Flat leaf parsley, rocket and basil are sometimes available. Opening Mon-Sat 8am-5.30pm. Sun 10am-noon.

PAPPA COL POMODORO
(serves 4-6)

First there was gazpacho, now this substantial Tuscan tomato soup is favourite. 2 lb-2½ lb tomatoes; ½ lb stale crustless bread, preferably ciabatta or pugliese; 4-6 garlic cloves; 4-5 tablespoons extra virgin olive oil; 2½ pt water or stock; a good handful of basil leaves) a little sugar, tomato paste and lemon juice.

Break the bread into pieces. Soften and soak it in some of the measured liquid while you peel, core and roughly chop the tomatoes and finely chop the garlic. Warm the oil in a soup pan and soften the garlic. Stir in the tomatoes and sizzle for a couple of minutes. Add the bread pap and the rest of the liquid, plus salt, pepper and a *little seasoning each of sugar*, tomato paste and lemon juice.

Cook very gently for ½-¾ hour, stirring occasionally to prevent sticking. Add the roughly torn basil, cover and set the pan aside for 5-10 minutes. Thin to taste with extra stock or water, check seasoning and serve warm, not boiling hot.

BAKED TOMATOES IN TARRAGON CREAM
(serves 6)

Very simple and good, this goes well with fish as diverse as salmon and smoked haddock, and with grilled chicken, calves' liver and lamb chops.

1 lb cherry tomatoes; 7 fl oz (1 x 20 cl carton) of crème fraîche; a little butter and fresh tarragon.

Skin the tomatoes and lay them in a buttered baking dish. Cover with foil and bake at 375°F (190°C) gas mark 5 for 10-15 minutes until hot. Scald the cream with a sprig of tarragon, letting it bubble and reduce to a coating consistency. Add pepper and some torn tarragon leaves and pour the sauce over the tomatoes. Tilt and shake the dish so the tomatoes roll about and each acquires a creamy veneer.

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OUTDOORS

Private Passions: Hang-gliding may not be everyone's idea of relaxation but for ***Richard Gourlay*** *and* ***Bernard Clifford*** *it's like walking on air*

On a winch and a prayer

"Once yon have tested flight you will walk the world with your eyes turned skyward." – *Leonardo da Vinci, renaissance man and aviator-manqué.*

ON AOPE below the Diablerets glacier into silky smooth air. As I wafted above the resort town of Villars the breathless early morning calm made the act of flying as natural as riding a hicycle.

Putting on some speed and banking, I listened to the wind increase through tense rigging as I crossed the valley to inspect some cowa grazing beside a seclnded chalet. Thirty minutes and 4,000 feet later, after a forlorn attempt to find rising air above a disused quarry, I set my glider down in a field of stubble, elated and deeply satisfied.

Not exactly a *Boys' Own* tale of derring do. But in the absence of thermal conditions – hang-gliding'a equivalent of fresh powder to the skier – it is the kind of flight that all but tha most hardened competitive pilot might consider memorable recreational flying.

As a sport hang-gliding is rarely associated with serene, incident-free flight. For this, perhaps, we have Icarus to blame. Faced with the chance to leave *terra firma*, many people recoil in horror, blinded by a vision of tumbling earthwards with some modern variant of singed wax wings.

But the sport is much safer than 20 years ago when some Californians modified the flex-wing parachute, developed by Francis Rogallo for National Aeronautics and Space Administration, and found a new way to stay high. New materials and a better understanding of how a wing works have banished for good the practice of jumping off hills on a wing and a prayer.

As well as becoming safer, hang-gliding can also be considerably easier to learn. Most of the pilots registered with the British Hang Gliding Association, had to display a well-developed masochism even before getting more than a few feet off the ground. I learnt on hill sites where much of the day *not* spent carrying 50 lbs of glider back up the hill involved removing tbe machina to another alte because the wind had changed direction.

Fruatrated hy thia, and inspired by experiments in Texas, Rona and Tony Webb developed towing in the flat lands of Norfolk. Their method, adapted by a handful of other schools in the UK, has rescued dozens of students whose enthusiasm for flying was nearly destroyed by the rigours of learning on a hill.

The aystem uses a car engine, an automatic transmission and a boat of safety devices to tow the pilot, rather like the static launch of a sail-plane. The winch driver, guided by the instructor, can pull the novice to 10 feet – or tha more experienced student to 700 feet – where the tow line is released.

If tbe wind changes direction, you simply shift the position of the winch. Not only does this allow a student the luxury of wheeling the glider back to the take-off point, it is allowing far more women to come to a sport that has largely remained a male preserve because of the ardour of early training on hills. Once airborne, a glider is so balanced tbat strength is rarely a limitation – as Rona Webb has demonstrated, beating all but seven men and one other women in the BHGA cross-country league table.

Most pilots who learn througb towing return to hill-top launching. But towing – and even more so aero towing which is currently banned hy the UK's Civil Aviation Authority – bas produced some spectacular results, notably the 304-mile cross-country record flight by Larry Tudor from a ground launcb in Texas.

Normal mortals cannot expect this degree of success. But after a five-day course the novice can already float above the countryside and dream of going to cloudbase in a thermal. These elusive aerial escalators make wafting down a Swiss valley look positively pedestrian.

They transform life in the country. No longer is a flock of swallows mere birds – they signal that a tbermal has popped off a nearby field taking with it bugs on which the swallows are feeding.

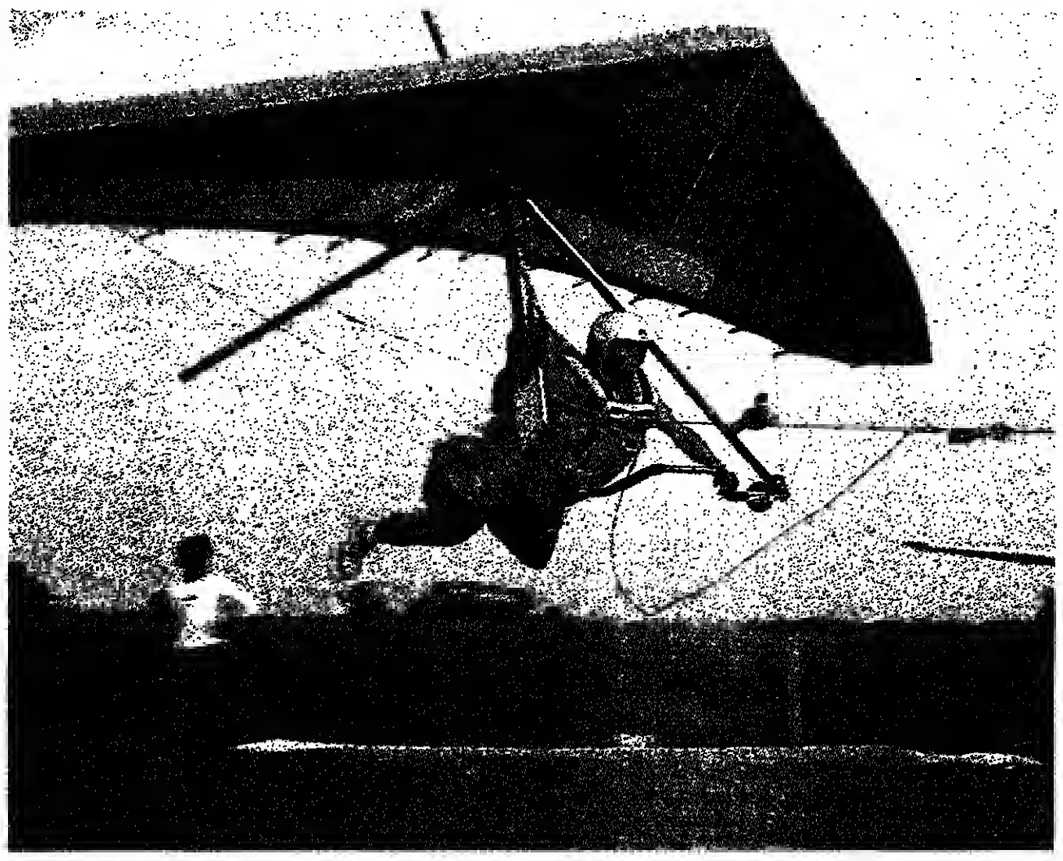
Fluffy clouds on an August morning become a signal to scramble to the tow field or hill as tbe tbermals develop into cumulus clouds.

Thermals, and the promise they give of eight-hour flights across country, lead to most *oprés*-flight gossip, like the admissioo from one leading woman pilot that she wears a oappy when flying long distance.

Hang-gliding, like golf, fishing and almost every sport, is relived at the equivalent of the 19th hole wbere in intoxicated flights of fancy tales are woven about tbe thermal that got away.

It is in these watering holes that the old captains of the air can be found surrounded by glassy-eyed students, tbe veterans of Rogallo and Delta wing, survivors of collapsing wings and deployed safety parachutes.

Not far below the surface is a tinge of nostalgia for the old days perhaps captured by the graffito on a T-shirt doing the circuit; "Remember the days when bang-gliding was dangerous and sex was fun?"



Candy Gourlay

On tow: Richard Gourlay in the anxious minutes of take-off

Reaching for the skies at 63

OWNING AND operating an aircraft is beyood the means of most of us. The hasic, 40-hour private pilot's course costs at least £3,500 these days. An hour in a a light single-engined machine will cost between £55 and £100.

When I was a boy I joined the Air Training Corps and learned to glide, then I joined gliding clnh and invested in a few hours of dual-control instruction on light aircraft. Many years later, when I was 55, I began to notice reports of something new on the horizon. I decided to take to the skies in a hang glider: a foot-launched assemhly of Duralumin and Dacron. It seemed a very model of cunning simplicity, and I thonght it could not possibly cost much. I was half right. However, this year, at the age of 63, I decided my old glider needed replacing. My new one cost £900 and it is wonderful.

The uncertainties of British summers, meant that it was not until a year after my first five-day course on the Sussex Downs that I completed my instruction. The course included a straight running take-off ("running" means on your own legs); 180 degree turns while airborne; initiating and recovering from a gentle stall; and a stand-up landing, following 700 feet of novelty-packed descent. At first, flat-on-my-face landings usually ontnumbered my stand-up landings – bnt they still counted as an "arrival." Landing on long-suffering livestock did not count as a qualifying flight.

When yon are learning, the ratio of ground activity to flying seems frustratingly high. Safe air-familiarisation is learned hy "tethered flying": each wingtip cootrolled and guided hy a helper holding a few yards of line, enabling the glider to "fly" in the ridge breeze while remaining stationary. This allows the pnpil, comfortably suspended in a harness hanging from tbe keel, to shift his or ber body-weight forward and back and from side to side.

The first modest free flight may be a mere hop. Nevertheless it is an act of faith which makes the pulse quicken. Strapped into the harness, yon lean forward and run downhill, inching the bar out, feeling the "lift" huild under the wing. Suddenly your feet are kicking at air and yon are flying – emotionally as well as physically.

You leave the ground at an acceptably slow speed, and the glider responds to the weight of your hody transmitted through your hands "oo the bar" (the base of the hang glider's triangular control frame). It is not exactly on a par with making vapour trails in the sky, but you run the same risk of addiction.

Scanning tbe panorama of patchwork fields, toy-like trees and miniscule farm huildings, and riding tbe smooth flow of the ridge lift, you becomc part of a picture postcard. Above and around is an enormous sky. When it is time to step down into the scenery, your state of passive cootemplation abruptly shifts.

Somctimes it is the voice of your instructor – bellowed from tbc ground, or by radio, with the receiver attached uncomfortably close to your ear – which brings you back to eartb. You become more aware of wind strengtb and direction. Yon check the wing level, the restraining comfort of the harness and mechanical assemhly points.

Is the ground ahead of you, oo which you will run from your touch-down point while landing, clear of rabbit holes and obstacles? Is tbere another glider in the offing? Has the wind shifted a degree or so?

For £275, I persuaded my instructor to sell me a hang glider weighing 50 lbs. Yon can de-rig them, roll them up and shrug them on to a car roof rack.

Ten years or so ago an inevitable further innovation appeared: a strengthened hang glider frame with a rear-moonted lawn mower engine – in other words, the aeroplane, reinvented. But with engines come increased costs, more elaborate structural and rigging procedures, and tbe necessary strictures of the Civil Aviation Authority (CAA).

At this point, "flying" stops being so pure or simple.

B.C.

Food and Wine

Awards for the awarders

Jancis Robinson *doles out her own medals to the wine contests*

IN off-licences and wine shops all over Britain, sales staff will be cursing the fiddly little bits of paper they have been sent from head office announcing to customers that this wine won a Silver Medal at the 1991 International Wine & Spirit Competition while that one was Commended in the, quite distinct, 1991 International Wine Challenge. Do the stickers, neck labels and posters have any real significance for the wine drinker, or are wine competitions simply a public relations exercise for those wbo run and participate in them? Those results in full:

International Wine Challenge

Run hy *Wine* magazine, tbe lively monthly rival to *Decanter*, this is the newest but already the biggest wine competition based in Britain, wine's favoured neutral territory.

This year 300 tasters between them judged 4,500 wines from around tbe world during a hectically bihulous week in May. Although about half the entries ware French, the resnlts just announced reveal a distinctly antipodean list.

"Red Wine of the Year," whicb has to be available in quantity and not too expensive as it is served at the prize-giving dinner, is Penfolds Bin 28 Kalimna Shiraz (around £5 from *Oddbins, Bottoms Up, Safeway* and many more); its white counterpart an Entre-Deux-Mers made hy an Australian-trained winemaker Cb Haut-Redon 1990 (about £4.50 from Thresher/Wine Rack); and tbe sparkling glory is shared by California, Australia and New Zealand.

Points for: Genuinely international but neutral. Categories are designed to find the best Chardonnay entered (1989 Kumeu River and 1989 Elston, Te Mata) rather than which New Zealand Chardonnays deserve medals. Only about a quarter of the wines entered (by British merchants) receive medals, although another quarter are merely Commended, which allows their retailers to garland them with stickers and certificates advertising *Wine* magazine.

Points against: Organisation and tasting conditions are enthusiastically well-meant rather tban technically perfect. Wines tasted from sometimes barely-disguised bottles in roasting bag overalls. Judges, drawn mainly from the trade, can find themselves hurtled from one category to the next in an atmosphere that more closely resembles a carnival than a pontification.

This judge's award: Silver medal

International Wine and Spirit Competition

Now in its 22nd year, the IWSC has had to work hard to throw off its original image, encapsulated in the headline traditionally used hy the trade weekly *Off-Licence News* above its results: "Every One A Winner."

Now run more seriously by a group of wine lovers and ex-traders, the competition is based in Ockley, Surrey at the laboratory of Corkwise, a sister wine *analysis company of which IWSC is the* most important customer.

Points for: Not surprisingly, every wine is technically analysed, which throws np some interesting results (such as, this year, that the use of copper in vineyards and cellars seems to be increasing) but has little effect on the competition other than the exclusion of obviously faulty or technically illegal entries (seven wines, less than 1

per cent, this year).

Ever since wine trade gentleman Harry Waugh was roped in they have managed to recruit a top-flight name as annual president – Peter M F Sichel of New York this past year. Clinical tasting conditions from ready-poured glasses. Tastings spread sedately over 13 weeks.

Points against: The entries from the world's wine giants France and Italy combined composed less than 10 per cent of this year's 1,066 entries which came mainly from the New World. Small wonder perhaps that Sonth Africa (135 entries, one panel chairman, two jndges and two sponsored trophies) scooped the greatest number of golds. Medals magnanimously awarded to 58 per cent of entries in national categories, so that every one was a winner from Argentina, Austria, Brazil, Hungary, India, Israel and Yugoslavia.

Award: Bronze Medal

French Medailles d'Or

Shiny gold circles stuck on to bottle necks that denote gold medals won at either the Paris or Macon Fairs really are worth something. Awarded by a panel of judges familiar with exactly what each appellation should taste like.

Award Gold Medal

Deutsches Weinsiegel

The *German Wine Seal is awarded by* the DLG (don't ask) to top scorers in national comparisons, judged like French Medailles d'Or by regional experts. Bottles with a narrow gold or silver strip across the neck really are superior in my experience.

Award: Gold Medal

Australian gongs

The Australians are the keenest judgers of wine in the world, doing at it state by state, sometimes tasting 200 wines a day. Their excuse, that the nascent wine industry needed guidelines, has long since worn thin, but the judges, technically-trained sniffer dogs, go on out-tasting tbe next fellow jnst tbe same. Many back labels on exported bottles list dozens of gongs, but beware the Show hierarchy; a Hobart Gold may warrant only a Bronze in Sydney or Canberra.

Award: Silver Medal

These awards are all very well but necessarily non-representative. The big problem for the consumer is that the producers and purveyors of the world's most sougbt-after wines are, understandably, wary of exposing them to gladiatorial combat.

Nevertheless, the schemes outlined ahove provide useful signposts when searching out reliable, clearly-defined low-to-medium-priced wines but, whatever the organisers say, snhtle and slow-maturing wines are at a disadvantage, especially towards the end of the judging day.

East Berlin's new menu

IN August 1987 the Grand Hotel opened in the centre of Berlin. It had taken two years to construct the traditional-style luxury hotel and a great deal of care had gona into creating east Germany's one real five-star hotel.

Apart from n series of theme bars along Friedrichstrasse, the rooms and restaurants had to be paid for in hard currency. Here the occasional east German customer could expect a standard of luxury quite unheard of in the rest of his country. I say occasional for the majority of the clientele were businessman and diplomats from abroad.

Two years later everything changed. First the Wall came down, then east and west merged. Since, the future of the Grand, and 34 other state-owned inter Hotels in the east, has been uncertain. Their fate is in the hands of the *Treuhand* organisation which is charged with the immense task of sorting out what belongs to whom after years of Communist rule.

The *Treuhond's* decision could come any day now, but until It does, east Berlin is marking time. Very little has changed. In the Grand, where the food was always exceptional by eastern standards, there is a greater availability of certain foodstuffs such as lobster and Mediterranean fish which used to require large amounts of hard currency to purchase from the west.

These days lobster, strawberries and asparagus are even freely available in the former hol polloi sections of the Grand which front on to Friedrichstrasse. But in spite of greater choice for chefs Strobel and Ay, the place is still decidedly eastern chic.

Upstairs in the Silhouette restaurant the "theme" is the dinner dance; the Forellenquintett next door is preoccupied with fish dishes with an accent on the Spreewald: it is all a little twee, a sort of gastronomic *Disneyland* in the *middle* of the austere realities of life as it was (and still is) in east Berlin.

A westerner may not open a restaurant in the east until the *Treuhond* has worked out what's what. In the old days there was only a small amount of private property under the Communists, but where that exists the owners are now free to use it as they wish.

I asked a west German why more easterners had not availed themselves of the opportunity of making some money out of the increasing numbers of tourists who find their way to the city centre now the formalities have disappeared: "They wouldn't have the nerve," she said.

Cola, soft drinks, the purchase of a sausage stall; these are the limits of eastern experiment to date. "And the thriving, bustling Prenzlauerberg, what about that? I asked. "That was all there before unification, and nothing has changed since."

I went for a look anyway. Around the lower end of the Husemanstrasse and on Kollwitzplatz is a concentration of pretty bars and restaurants in a well-restored group of old *Mietshauser. In the last days* of the old regime, these were favourite hars for young professionals. The same clientele can be found today enjoying the summer evenings with a glass of beer, only occasionally visited hy the hravest Italian or French tourist.

I ate a meal in the Rosenstübchen, opposite 1900 where it was impossible to find a seat. I cannot, in all fairness, say very much about the food; certainly there had heen no attempt to use fresh ingredients. The service, however, was friendly in that teasing, half-mocking Berlin style. However, when I got back to the west end of Berlin later it was hard to resist the *temptation* to eat a second, more appetising meal. This is how things will remain for a while; when the *Treuhand* delivers its report, things could hot up in the Prenzlauerberg.

Giles MacDonogh

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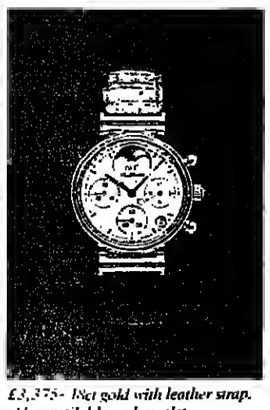

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LANGUAGE COURSES

Good grub and good grammar

SHOULD there be a sign saying "*Abandon hope all ye who enter here*," I wondered, as I entered the Centro Linguistico Italiano Dante Alighieri on the first morning of my Italian course?

There certainly seemed to be an infernal confusion inside. The school's director, Alberto Materassi, rescued me, explaining that it was always like this on the first day, and sent me into the garden to join dozens of other newcomers poring over their selection tests.

The general air of friendly chaos belied the school's well-tried procedures. Founded in 1966, in 1990 nearly 1,600 people from 28 different countries studied at the centre, housed in a 15th century palazzo near the Ponte*vecchio in the heart of Florence*.

On the basis of the written test and the interview which followed, each of us was allocated to one of the school's nine levels of competence, from beginners to those wishing to teach Italian as a foreign language.

Our studies began in earnest on the second day. Conducted entirely in Italian, each day's session of four hours with only 15 minutes break, required considerable concentration. Classes at the Scuola are small – about 10 to 12 students in each – and there was little opportunity to daydream.

The teaching method at the Scuola is based on respect for the structure of the language. The teachers are graduates, mostly in political science, philosophy or languages, and the school trains them in its own aims and approach.

My classes started at 9am. The first two hours were spent in the formal study of Italian grammar, although "formal" hardly describes the vitality and charm with which my teacher, Mivia, explained the vagaries of the Italian prepositions.

The second half of the morning was devoted to conversation. Mivia quickly liberated us from the pedestrian passages in our text-books and students took it in turn each day to select a topic and prepare an introduction. We discussed, albeit haltingly, everything from magazine horoscopes to *animal rights*.

Frequent howls of laughter counterbalanced the frustrations of being unable to express our ideas. On one occasion, all conversation stopped entirely as we listened *bocca aperta* to a Japanese lyric-soprano giving an informal concert to her fellow-students in the class next door.

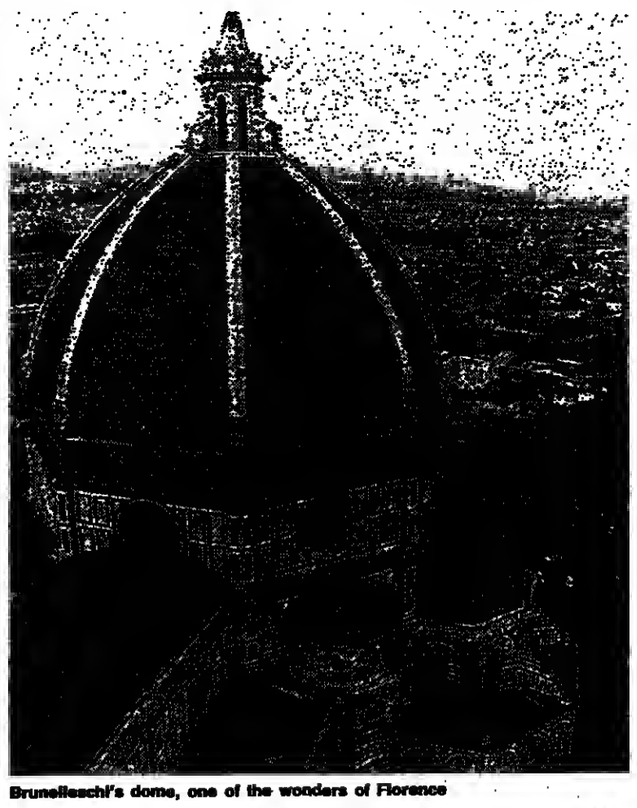
The days quickly found a pattern. I was amazed at how tired I felt at first and soon developed the habit of getting my homework out of the way as quickly as possible. After lunch, at the *Scuola's* noisy, cheerful (and very cheap) cafeteria, or a favourite local cafe, I returned to the school and spent an hour or so on the terrace getting to grips with my assignment *for the day*.

Like many others, I fell in love with this spacious *terrazzo* furnished with marble-topped tables and terracotta urns overflowing with greenery. It commands one of the most beautiful views in Florence and is a delightful retreat, where students can work, read or talk.

Language-learning is a great leveller. In the comic confusion of trying to communicate in an unfamiliar tongue, inhibitions fall away and friendships flower. In a week, I felt more at home, both at the school and in my lodgings, than I had done after a year at an English university.

Alberto and Gabriella Materassi are keenly-aware of the importance of creating a warm ambience for all their students, whether they are university graduates, insurance clerks, opera singers or bank presidents. "They are all students to us," says Gabriella, who teaches the intensive one-to-one courses she pioneered at the school 22 years ago. "And the better the experience, the hatter the learning of the language."

Most of Gabriella's students are men, highly-established in their professions and accustomed to command, and they rarely find it easy to adapt to being students again. "It requires a great deal of patience and the right psychological approach," aays Gabriella.



Brunelleschi's dome, one of the wonders of Florence

The right accommodation also makes an enormous contribution to the quality of a student's experience. The Scuola is non-residential but will find a suitable hotel, *pensione*, apartment or host-family, depending on the student'a inclination and pocket. Many young people opt for the freedom of an apartment but living with a family is a unique opportunity to gain an insight into Florentine life and culture, not to mention the advantages of total immersion in an Italian-speaking environment.

The school could not have made a more fortunate choice for me. From the moment of my arrival at the immaculate, marble-floored apartment of the Sicuteri family, about 10 *minutes'* bus-ride from the centre of Florence, I felt as welcome and at ease as if I had been an old friend. Fiorella and Ferdinando Sicuteri have a love of their native city amounting to a passion. Fiorella cooks *con amore*. Over dinner each evening we discussed everything Florentine from *panzanello* to the Pazzi Chapel, although we found that "mmm!" meant the same *in any language*.

The Sicuteri family have been hosting students for the CLI Dante Alighieri for over 10 years but Gabriella Materassi admits that such families are not easy to find. "We started off with friends of our own and they introduced other people. But it's the most difficult thing. It's not just a question of whether a house is clean and comfortable. It's whether the family can provide the right ambience to help students understand not only the language but the quality of Italian life."

Living in an Italian home and resisting the temptation to lapse into English with fellow-students, I found that learning became a 24-hour process. I had arrived in Florence having learned all I knew hy ear and the formal aspects of the *Scuola's* methods gave me a much-needed grammatical base.

Obviously, no language school is ideal for all students. The Scuola's strong grammatical bias may disconcert people who are looking for a less-academic approach. But I have just conducted my first interview entirely in Italian. For me, there's no justification at all for abandoning hope.

■ *Information: Centro Linguistico Italiano Dante Alighieri, Via dei Bardi 12, Florence. Tel: 055-2342984. fax 055-2342756. Course G8 costs £330 for four weeks. Accommodation with a host-family costs about L30,000 per day half-board. Further information and booking also through UK agents: Cultural and Educational Services Abroad (CESA), 44 Sydney Street, Brighton, Sussex BN1 4EP. Tel: 0273-683304. fax 0273-683954.*

Marilyn Bentley

Trainers' checklist

WITH THE advent of 1992, language training for business is a rapidly growing market, reflected by a corresponding increase in providers of business language training.

Jonathan Smith, a linguist with 14 years' industrial experience in European sales/marketing, tells yoo how to look for the signs of quality pointing to language training organisations which know how to train effectively and deal in a businesslike manner with corporate clients.

This is a checklist which a company training manager or individual language learner can apply:

1 Methodology. Do they use a modern, communicative approach which emphasises practical use of the language right from the beginning?

2 Materials. What course materials do they use – published ones, their own or (preferably) a combination of the most suitable materials for your requirements? Ask to see the language teaching materials they propose to use for your organisation.

3 Media. What use do they make of additional media to support their training programmes, eg audio, video, satellite. This is important to reinforce the training and add variety and interest.

4 Professionalism. What experience/qualifications do their language trainers have to teach? The single most important criterion is that they are effective teachers, fluent in the language, preferably with a UK or other EC degree in modern languages, an additional teaching qualification and an appropriate track record in training business people.

5 Training Needs Analysis. Will they examine your particular training needs in detail and design a programme to meet them? They should make you a written proposal detailing timing, aims, materials, evaluation procedures and costs.

6 Language Audit. If your organisation is large enough to have an existing, dormant foreign language capability, will they carry out a survey of existing skills?

7 Quality Control. Ask them about their QC mechanisms. How do they evaluate the trainer's performance, assess the progress of trainees and obtain customer feedback?

8 Track Record. Are they part of a reputable training organisation or member of a professional body?

9 Training Outcomes. What objective measurement do they have of the effectiveness of their training? Do they train to any nationally recognised qualification, eg RSA, Institute of Linguists, London Chamber of Commerce?.

10 Competence. Do they sound businesslike and market-oriented, without trying to blind you with hype and jargon?

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Golf/**John Hopkins**

The joker in the Ryder Cup pack

DAVID Feherty is most people's idea of a good man to have dinner with. He is bright, articulate, personable and witty in a world full of people who are not. You would not want to be stuck at a bus stop with many of the professionals on the European Tour. With Feherty you rather hope the bus will be late so you can relish the gossipy, humorous and entertaining nature of his conversation for a little longer.

Among those men who play golf for a living in Europe, there are not many who have been both caddie and professional, who read Zen books and quote PG Wodehouse, listen to opera on a compact disc player and are members of the National Trust and admit that they relate strongly to the forlorn characters Woody Allen plays in films.

"Woody", says Feherty with a rueful smile "says things like: 'I saw hope running to the horizon with his arse on fire.' Now that's the sort of fellow I can understand."

In south Carolina over last week Feherty was relaxed, at ease with himself and not noticeably on fire. He appeared to be enjoying his first Ryder Cup. Dozens of Irish supporters were there to encourage him and he could hardly walk five yards without hearing the familiar Irish tones and intonation calling out to him "come on David, good luck, David," or "well played David."

On Kiawah Island's Ocean course, there came one of those one-liners that Feherty has made his trademark. "This is the High Temple of Stress," he said, meaning the hoopla that surrounded the current Ryder Cup, which is by far the biggest ever seen in the US.

Feherty is a good enough player to have won nearly £750,000 in prize-money alone in the past six years. Yet the way Feherty tells it, he would rather be doing almost anything else. He makes it sound as though he's selling shop soiled goods. He might be one of Europe's best but it is at doing a job he often doesn't like and sometimes hates.

"Golf is a perversion for me," says Feherty. "I have to want to be where I know I am not going to enjoy it. My over-riding ambition is to make enough money to be able to give up playing golf. This business of players liking the pressure is a macho thing and I don't believe it when Jack Nicklaus says he loves the pressure. I tell you what, the next time you see Nicklaus facing a six foot downhill putt that curls from left to right you tap him on the shoulder and ask him how he feels about it."

Feherty is not only a man you seek out to eat with at night. He is a man journalists home in on in search of a good quote. Here are some of his most recent: At the US PGA championship this year he was asked about the length of the course, Crooked Stick: "It's so long it's the only time I've had to take into account the curvature of the earth in doing my yardages."

At the same championship Feherty said: "if this course is 7,000 yards long then that's as the crow flies. I've walked 9,000 yards – and that's only on the front nine."

At the same championship an American TV commentator said to Feherty: "You don't seem to have used your six iron much this week, David. Why is this?"

"I used it last night to smash the fire alarm in my hotel room."

At the Dunhill Cup in 1990 Feherty defeated England's Howard Clark at the fourth hole of a play-off, thus ensuring victory for Ireland. No sooner had Feherty played the winning stroke than the man from BBC Radio was there at his side, microphone at the ready. "Were you nervous David?" asked the reporter.

"Do you want to see my underwear?" replied Feherty.

"David, you do realise this conversation is going out live on BBC Radio don't you?"

"I know. Do you still want to see my underwear?"

Few subjects get Feherty's goat more than that of golf course design. He came off the Valderrama course at Sotogrande last year after competing in the Volvo Masters and said: "This must have been the last act committed by Walt Disney before he died."

Recently Feherty and his close friend and mentor David Jones formed their own company to design golf courses, Handmade Designs. Their courses, swears Feherty, will be playable by all standards of golfers and not just long, straight-hitting low handicap amateurs.

When he played at St Mellion, the Jack Nicklaus-designed course in Cornwall earlier this year, Feherty was asked what he thought of the course. "We've been diddled," he said. "This wasn't designed by Jack Nicklaus. It was designed by Barbara" [Nicklaus's wife].

After one practice round at the Ocean Course, Feherty was asked for his reaction to the course designed by Pete Dye, the American designer. "It's not like something in Ireland or Scotland, it's like something from Mars," he replied after barely a second's thought. "Like a lot of modern courses victory won't always go to the guy who hits the ball best but to the one who takes all the rubbish."

In practice on Thursday, Feherty and Torrance were taking all the rubbish. They found themselves facing a razor sharp partnership in Bernhard Langer and Mark James and on the 17th, a 200-yard par three, the two Celts could do nothing but stand and applaud when Langer holed out with a six iron for an ace. Then when the format changed from four-ball to foursome, Torrance and Feherty were up against it once again. Neither was quite at his best and this explains Gallacher's thinking in leaving them out of yesterday morning's foursomes.

King of one-liners: David Feherty says "golf is a perversion for me"

Feherty, then, is a singular man. He collects antique furniture and high powered cars. He lives in a converted 300-year-old watermill in Bangor, northern Ireland, his birthplace, and in Johannesburg, where his wife Caroline comes from. He plays a good game of golf and talks one that is just as good.

A few years ago he began to visit Alan Fine, an outstanding sports psychologist and Feherty's success since then has been striking. Typically he explains this in his own vivid way. "Before I met Alan I was like a blind man looking for a black cat in a dark room."

Boxing/**Andrew Freeman**

Ali to Watson: the fighters' tale

Muhammad Ali on boxing: "I guess you have to be a little crazy to be a fighter."

Joe Frazier, after their fight in Manila: "I hit him punches, those punches, they'd of knocked a building down. And he took 'em. He took 'em and he came back. But I sent him home worse than he came. Look at him now; he's damaged goods."

BOXING is dangerous. Michael Watson knew that as surely as anyone. It is sporting combat stripped to its essentials, the purest challenge of athletic skill and strength. The ring is the site of displays of extraordinary courage as well as grotesque mismatches. But, almost against the best efforts of shameless promoters and hapless managers boxing can transcend the bumdrum of most physical endeavour and take on almost mystical qualities.

No-one personifies the sport's contradictions better than Muhammad Ali. Thomas Hauser's biography, published in Britain at a time when the dangers of boxing are once again under scrutiny, gives a moving and humane account of Ali's career. His life is rich in ironies, perhaps the greatest being his symbolic emasculation by the white establishment, which first hated him, then gradually accepted him, before finally claiming him as a hero. The challenging, brash young man who sparked political and cultural controversy in the 1960s is now a quiet, largely mute figure, alone with his religion and his memories.

From black villain to black simpleton via worldwide recognition as perhaps the greatest boxer, athlete and showman – given such rich material, it is curious that Hauser relies on obviously edited transcripts of numerous interviews.

One reason might be that boxing has an unfair share of opinionated loud-mouths. But only a few of the bit players in Ali's hectic life shed light on the man – notably a series of anecdotes on his unreasonable generosity to all and sundry including the undeserving. It is a testament to Ali's enduring power as a sporting and cultural icon that the book remains highly readable.

The big fights in Ali's career receive a full treatment, in particular the 1975 thriller in Manila, his third fight with Joe Frazier. It was a brutal bout, described by Ali afterwards as the closest thing to death he ever experienced. His ringside doctor said the champion took a day before his thought processes were unscrambled. His body took weeks to recover.

Such accounts should be a warning to all those who participate in boxing. It matters little precisely what Ali suffers from today. The fact is that his brain suffered from his perseverance in boxing long past his prime. Boxing is a young man's game, but even young men like Watson get killed. If only so much of the hand-wringing that follows tragedies like Watson's was not shot through with misunderstanding and mis-placed morality.

Some of the boxing establishment's defences of the sport are as crude as Dennis Andries' punching style, but they are as effective. What *is* the answer to promoter Mike Barrett's cunning comparison with smoking, a voluntary pastime which kills thousands? Governments can barely control, some would say connive at, the irresponsible selling of tobacco to children. Yet many would see a ban on tobacco as an unacceptable invasion of the personal rights.

Of all the charges made against the sport, the one which really sticks, and which is echoed throughout Hauser's book, is that many of its insiders represent the greatest obstacle to progress. It is striking, though, that the role of television has received so little attention. Hauser and his witnesses show how Ali's career coincided with and catalysed the development of television coverage of boxing. The stakes grew higher, the money flowed faster using boxing's traditional mastery of hype. Ali's greatest hype came in his youth, when his mind was buzzing as fiercely as his fists were stinging.

■ *Muhammad Ali, His Life and Times, Thomas Hauser with the co-operation of Muhammad Ali. Robson Books £16.95*

Rugby Union

All Blacks hold the edge

THE CITY will come almost to a halt on Thursday afternoon. Do not expect your stockbroker to return your calls. He will be at Twickenham. The City shuts up shop annually for the Varsity match each December but that is small beer compared with what will happen this coming week.

The second World Cup starts on Thursday and the opening ceremony gets underway at 2 pm. An hour later England will play New Zealand in the opening match of what is being described as the biggest sporting event in Britain since the World Cup of 1966, soccer's world cup that is. You get an idea of the size of this year's event from these figures: 63 countries will receive televised transmission with an estimated audience of more than 2bn people generating an estimated £23m.

It will be a relief to get on with the motley. To date, the World Cup has been synonymous with sordid accusations of incompetence in many areas. There was a row over ticket allocations. It has been said that the press coverage has been poor. Many people in rugby are puzzled at a system that can leave Clive Norling, the world's best referee, in the stand during the month-long championship. The commercial advisers have come in for criticism. To cap it all, with less than three weeks to the opening ceremony, Keith Prowse, the leading UK ticket agency, went bust.

By tea-time on Thursday all these issues will have been overtaken by the outcome of the England v New Zealand game and the questions arising therefrom. The chief one of these is whether England has any chance of winning the World Cup. We know New Zealand has. The All Blacks, the reigning champions, are narrow favourites.

It is fashionable to say the All Blacks are not what they were. Their forwards are not as fearsome or fast and their backs are a less potent strike force than in teams of yore. But, nothing is what it was, not the pound sterling nor the Bank of England, not Mars bars nor the Rock of Gibraltar.

Though I admit the All Blacks are not as strong as they were in 1987, I do not think they are significantly weaker. If we are questioning their grip on the World Cup it is more because of the advance of other countries and less the decline of New Zealand. England are one country who are transformed since 1987, Scotland are another, and Australia, particularly Australia, are the third.

Yet the All Blacks still hold the Bledisloe Cup. They acted quickly after their 21-12 defeat by Australia in the first test, importing John Hart, the guileful Auckland coach, to help Grizz Wyllie, and stopping up the cracks in the forwards apparent in Sydney. The result was a dogged victory in the second Test in Auckland. New Zealand has the greatest heritage of any nation in the World Cup. No one tours as well as the All Blacks, who are never better than when they are embattled. Most of all, they frighten the opposition, though no one would admit it.

I believe the Australians lost their nerve when faced with victory in the second Test recently. Deep in their subconscious they were too respectful of the New Zealanders, their heritage, their position in the game, to nail them as they were capable of doing and should have done.

For England, little if anything has been left to chance. I have in front of me an eight-page programme which lists what England's players and management will be doing at any given moment up to the final in November. It began last Thursday When at "12.30 hrs" the squad assembled for lunch at the Petersham Hotel, transferred to a hotel in Hampshire at 14.00 with a press conference at Twickenham en route. At 16.00 came final kitting out and medical checks, at 18.30 a squad meeting and at 19.30 dinner. Later there was ten pin bowling but that was optional.

There is a routine like this for every one of the next 28 days. The attention to detail is remarkable in England's brave new world. It explains partly why England have won 15 of their last 20 internationals, losing only to Wales (1989), Scotland (1990), Argentina (1990), and Australia (1991). England's success or failure centres on their forwards. Can they dominate and thus run the game at their pace, releasing their potent strike force of backs as and when they please. Or will they be on the back foot from the start, moved around the field too fast for comfort, unable to dominate in the set pieces?

Only Scotland have a realistic chance among the other home countries, one that is not diminished by their playing every match at home – so long as they keep winning, Ireland and Wales will do well to reach the quarter finals.

The one country that has everything that the All Blacks have – and more – is Australia. A rock solid front row, a superb line-out, a tearaway back row and perhaps the best half backs in the world. What more do you need? You need the experience that only comes from years of touring, from playing hundreds of Tests against sides that want to topple you. This breeds an inner resolve that the New Zealanders have in abundance.

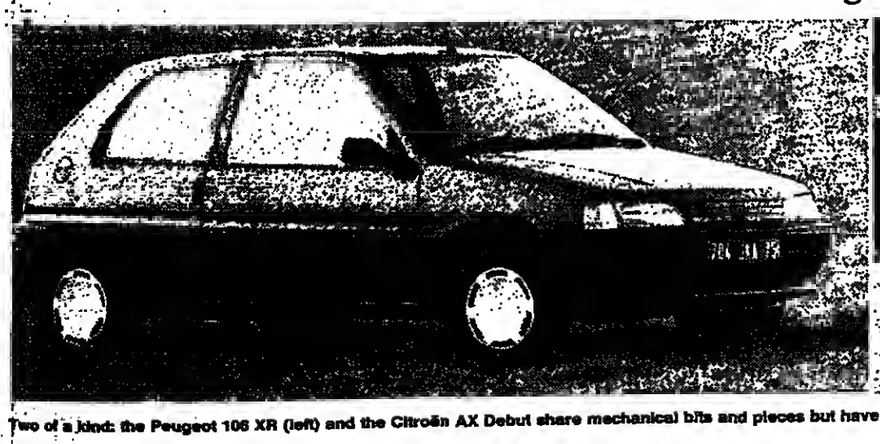
There is no aspect of coaching or preparation the Australians have not examined but this sort of experience cannot be coached. It must be learnt.

Australia have advanced so fast that this may be the one faculty they have not been able to acquire. This may be their downfall when, as I expect, they face the All Blacks in one semi-final in Lansdowne Road on Sunday October 27. Man for man the Australians look better. Can they prove that on the day?

Whoever wins that game will win the World Cup. And I think it will be New Zealand – by five points in Dublin.

J.H.

Motoring



Two of a kind: the Peugeot 106 XR (left) and the Citroën AX Debut share mechanical bits and pieces but have individual identities

Peugeot's child faces a family fight

***Stuart Marshall** has a fling in France with the 106 TSi but thinks it will face competition from a cousin*

THE LAST time I was in the medieval walled city of Carcassonne in south west France I fell in love with a curvy American called Corvette.

With a vast V8 engine of more than 300 horsepower and Goodyear tyres a foot wide, it was no more than I had expected. (If you had not guessed, she was a Chevrolet Corvette ZR-1, the best sports car ever made in the US).

Two days later it was all over. I was home in my sensible diesel, happily obeying all the rules. And wondering why Corvette had seduced me into driving on deserted hill roads almost as though they were rally stages.

A moment of madness, a never to be repeated mental aberration? Of course. And then, last week, it happened again in Carcassonne. This time the cause of my undoing was a Peugeot 106 TSi, a pert little gamine of a car, half the size of a Corvette, less than a third as powerful.

We behaved ourselves until we reached the hills. Then it was down into second, get the 1.4 litre fuel-injected engine howling joyfully at 5,000 rpm-plus and the fat (well, plump) 60 series Pirellis biting into the coarse tarmac.

The little Peugeot and I had a wonderful time on those roller-coaster roads, scuttling swiftly through hairpin bends, missing stone parapets by inches as we shot the narrow bridges. It was exciting, but I never felt less than 100 per cent safe and in control.

Half an hour later, back on normal roads and driving at sensible speeds, it was all over.

Uncharitably, I began finding fault. The ride, I decided, was hard to the point of being knobbly. The steering, so sharp in the hills, proved heavy in town and when parking. The black-roofed interior was too sombre.

Earlier I had driven two other 106s, one with a 1,360cc, 75 horsepower engine, the other a 1,124 cc producing 60 horsepower. They are narrower tyred and less firmly suspended. Their ride and seating comfort, general handling and refinement were as good as I had anticipated when I inspected a couple of 106s in the unnatural surroundings of a London hotel some weeks ago.

The 106 looks like a slightly scaled down Peugeot 205 with an even neater and larger windowed rear end. Peugeot calls it "a child highly desired by its parents." The styling similarities with 205 are admitted and justified by saying that such a basically good-looking car, "like a decent cognac or calvados, doesn't deteriorate with age."

Prices will be announced in two weeks, just before London's *Motorfair* opens at Earls Court. I suspect they will be a little cheaper than those of comparable 205 models, but not very much. Four versions will be available, all 3-doors, with petrol engines and 5-speed gearboxes. Five-doors will follow soon, diesels later and, eventually, automatics.

Peugeot sees the 106 competing with all kinds of small cars from Ford Fiesta to Vauxhall Nova, Renault Cleo to Rover Metro and, of course, the 205 itself, which will stay in production for several years.

In Britain, where the cheapest 205 will be dropped, Peugeot recognises that 106 will be bought instead of 205 by "empty nesters." But it expects 106 to persuade others to trade up from more utilitarian cars such as the Fiat Panda.

We shall see. And what of its perhaps most obvious rival, the Citroën AX? "We are competitors with Citroën though we are cousins," is the *official line*.

The AX and 106 have individual structures but share many mechanical bits and pieces. So, of course, do other PSA (Peugeot-Citroën Group) products like the Peugeot 405 and Citroën ZX and BX, Peugeot 605 and Citroën XM. But each marque has a distinct identity. Few drivers would mistake an XM for a Peugeot, a 605 for a Citroën; and AX and 106 are by no means clones under a different skin.

Even so, it would not surprise me if the Citroën AX, recently much improved by a mid-life facelift, turned out to be one of 106's toughest competitors. It now feels much less of a lightweight, far more a junior member of the ZX family.

The AX already comes with 3-door or 5-door bodies, petrol or diesel engines and costs from £5,895 to £9,205. These are class leading prices. Unless I have read the signs wrongly, comparable 106s will be at least 10 per cent dearer.

And the AX is good to drive, far quieter than it used to be and the GTi model I tried the other week rode better than its Peugeot 106 TSi equivalent. So, we may have a family fight on our hands: Peugeot vs Citroën as well as Peugeot vs the rest.

MOTORS

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Left Hand Drive Saloon
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PROPERTY

Gloom deepens in the low-cost rental market

IF IT WERE cheaper to rent a property than to buy it, no one would want to rent it out in the first place.

When rents are lower than the costs of finance to purchase a property – as they are now – there is every incentive for would-be homebuyers to put their savings on deposit and become tenants.

Yet any such gap between rent costs and property purchase costs undermines the case for remaining a landlord. If the property were to be accurately valued on an opportunity, *cost-of-money basis, the landlord* would be better off selling the building and investing the cash.

These truisms assume a perfectly functioning housing market. In practice the housing market is profoundly imperfect. There may be no fundamental case for becoming a landlord, yet gross rental returns of 8 per cent on prime central London apartments and houses (or up to 10 per cent with canny buying of "distressed sale" properties) are attracting investors back.

Why? Because investors are not buying for immediate yield; management costs and allowances for repairs and maintenance cut the returns down to less than half the immediately achievable yield on, say, a standard bank deposit. The punters are looking, as they always do, to a combination of current income and eventual capital growth; their purchase decision rests – to a substantial extent – on "hope" value.

This begs a question. If investors in property are correct in assuming that today's best properties for rent are at or near their low point in terms of resale value, their tenants are enjoying a temporary saving at the expense of an eventual capital cost. Apply this to a single property and you get a simple equation: one winner and one loser – tenant or landlord. Or, rather, it would be a *simple equation if both tenant and* landlord had a free choice to buy or sell. In practice, this "pure market" approach is confounded by tenants who have made no conscious decision to rent, and by "reluctant" landlords.

More people seem to be analysing the costs of accommodation and choosing to rent – but, still, these renters-by-choice are far outnumbered by tenants who rent for no more sophisticated reason than that they cannot afford to buy.

On the other side of the counter, many individual homeowners, housebuilders and residential developers would sell if they could sell. Because they are unable to attract buyers, they have joined reluctant landlords who seek some cost cover for their investment by renting.

Unless market research carried out for mortgage lenders has been made redundant by the recession and its attaching gloom, personal home ownership remains the preferred housing tenure for eight in 10 people in the age groups most likely to form independent households in the 1990s. And while the legislative background to private renting has been changed by the 1988 Housing Act, which grants new freedoms to landlords, any talk of a revival of the private rented sector in Britain must be treated as premature.

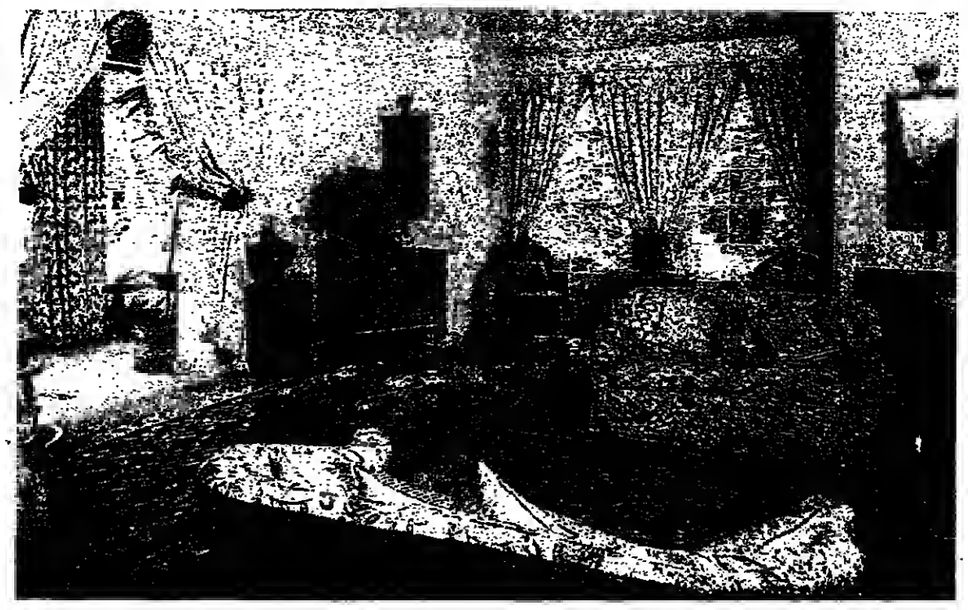
Prospects for the renting sector in the 1990s cannot be looked at in isolation from a long history of decline. in the past there were similar periods of remission for private renting; each time, socio-political pressures against "profit out of another person's home" brought the remission period to an end. Over more than 70 years, the public image of the private residential landlord in Britain has shifted *from* neutral investor to virtual social outcast.

In 1914, nine in 10 households were privately rented. Add in "tied" houses (which went with particular jobs), "live in" domestic servants, and assorted shop and factory workers in company-owned homes, and the picture of housing tenure in Britain before the First World War *shows that individual home ownership* was not even a distant aspiration for the average household.

Following a pattern unchanged for nearly 200 years, the overwhelming quantity of urban housing was developed by speculative builders specifically for rent. Building standards reflected the eventual rent to be charged. Thus, in London, Victorian builders would talk in terms of £5, or £8, or £12 properties – and construct them to a budget aimed at achieving a stable 10 per cent gross return.

Social historians have made much *of the self-help groups and* pioneer building societies formed, mainly in the industrial north of England, during the middle and later 19th century to enable skilled workers to build homes of their own. But it was not so much the infant building societies, rather the 1915 Rent and Mortgage Interest Restriction Act that changed the course of housing history.

That Act, controlling rents and providing security of tenure for tenants, was devised to stop wartime profiteering. Although introduced as an emergency measure, its controls remained in force on existing properties after the First World War. New tenancies were not affected by its provisions. Many of the homes built between the First and the Second World Wars were *developed* for renting by private investors.



The price gap between the two tiers of London's rental market is *narrowing*, but the difference between prime property and "cheap" property rents remains vast. The London Housing Unit's recent capital-wide *rent survey shows a 20* per cent increase in costs in the past year, with landlords charging an average £330 a month for a bedsit, £616 a month for a one-bedroom flat and £1,178 a month for a five-bedroom house. Look beyond average homes to prime properties, and *although agencies report* a year of stable or even softening of rents on lettings to company and wealthier individual tenants, cost comparisons remain roughly four to one. Yet there is still strong interest in well appointed west central area family houses, such *as this four-bedroom* Chelsea house (left) on the books of Vogue rentals (tel: 071-373-8803)

At the same time, a whole new source of properties for rent was created by local authorities charged with building "homes for heroes," subsidised by the Treasury. Nevertheless, landlords of older, rent-controlled properties sold up whenever the opportunity arose: by 1938, more than 500,000 such sales had taken place. Some 68 per cent of UK households still rented their homes, but the 6.6m privately-owned rentals now represented fewer than six in 10 of all homes.

Further rent controls, imposed during the Second World War, froze landlords' income – and kept that income static through a period of exceptionally high building cost inflation which persisted into the 1950s. The consequent accelerated deterioration of privately-owned rented houses split the rental market into two broad categories. The largest consisted of older properties: these ranged between slums, a mass of cheap flats over shops, and low-cost suburban houses. The other group consisted of high value properties; mainly rented apartment blocks in central London.

Attempts to revive the private rented sector led to the 1957 Rent Act's short-lived reprise away from controls, intended to attract fresh investors by de-regulating new tenancies.

It did not work. Public attitudes to renting had changed. This was the era of the rogue landlord; stories of sitting tenants "winkled out" so that owners could gain possession sharpened the image of a landlord as socially unacceptable. Within a year, new regulations reversed most of the 1957 Act's effect, protecting sitting tenants in what had been, briefly, decontrolled tenancies.

Sales to tenants, and sales (rather than re-renting) of vacant properties reduced the number of private sector rented homes to below 4m by the mid-1960s: one quarter of the total housing stock. Householders may have needed no extra incentive to turn their backs on the decaying rental market, but they got one: preferential tax treatment for owner-occupiers and, with the rapid expansion of building societies during the 1960s and 1970s, much easier access to home loan finance.

In 1974 a new Rent Act extended security of tenure to tenants of furnished as well as unfurnished properties. Flat "break-up" companies flourished; trading companies which bought apartment blocks from traditional investor landlords and speeded the process of individual apartment sales. The number of *privately owned properties* available for rent fell from 3.4m in 1970 to 2.5m by the start of the 1980s.

This decline continued throughout the decade. The option to rent was further reduced by the "right to buy" provisions of the 1980 Housing Act. It is against this long-term exodus from rental accommodation that the 1988 Housing Act has to operate.

It has created the new form of "shorthold tenancies," enabling owners to enter into occupation agreements running for a minimum of six months at a time. Now, owners *can charge open-market rents* and retain rights of repossession of their property. Before the Act came into force, early in 1989, the private rental market had contracted to three main sectors:

- The largest consisted of the residual stock of older, controlled-rent properties.
- A second, substantial sub-market was made up of informal rentals, where landlords circumvented the tenancy and rent laws by refusing to provide rent books, charging "key money" premiums to incoming tenants, and a whole range of illegal, cash-only transactions.
- The third sector consisted mainly of central London properties bought as investments and leased out at full open-market prices to companies needing to accommodate staff "on tour" in the UK capital for several months or a few years.

The first and second sectors of the rentals market remain largely unaffected by the new legislation. Established tenancies remain uneconomic for property owners. It is hard to see many of these long-term landlords treating a vacancy as an opportunity to re-enter the rental market on a more commercial footing.

It is to the third sector, the company rental market, that the new shorthold landlords have turned, both to find a reference for current *open-market rents and for accept*able standards of accommodation and property management.

Regarding rents, accommodation costs have been rising at less than the rate of inflation over the past two years. The reason for this has been the many houses and flats arriving on the lettings market; given a more active property transfer market, these would be sold.

Regarding accommodation standards, few individual owners appreciate that tenants are only willing to pay full open market rents for properties in excellent condition. Developers with unsold blocks of flats need only furnish the units to offer mint-condition space.

Many private owners have been taken aback – told by their letting agencies that the home in which they have lived happily for years is too poorly decorated, ill-furnished, or badly-fitted to interest a prospective tenant willing to hand over several hundred pounds a week for trouble-free accommodation.

Private owners tend also to be surprised that rental management is not free. Investors understand that management costs can absorb perhaps a quarter of their gross return on a property, but amateur landlords – reluctant amateur landlords especially – are slow to grasp that tenant selection, rent collection, and dealing with anything from a leaking tap to a set of lost keys involves active management.

The social arguments in favour of a substantial rental sector in today's housing market have been well aired. The choice to rent assists mobility of labour; it allows for changing family circumstances; it provides housing for a substantial part of the UK population with neither the money nor the inclination to take on the long-term commitment of owner-occupation. Sad statistics *on* home repossessions highlight the miseries which may follow when people who want their own property are encouraged to borrow their way into it.

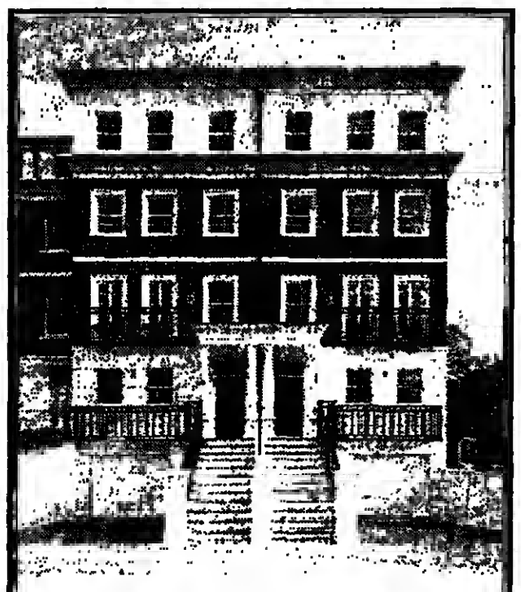
Government controls on public sector spending have prevented local authorities from responding to the demand for lower-cost rental accommodation. Much effort has gone into public and private sector co-operation to create affordable housing for rent through Housing Associations, and into investment groups seeking to maximise the tax concessions on developments of homes for rent through Business Expansion Schemes. But neither has come near to replacing the number of homes removed from the rental market by local authority sales.

So, if this leaves the burden of providing rental accommodation to the private residential landlord, there is no hard evidence to support the view that the economic events of the past two years represent a basis for long-term revival of the sector. Any improvement in turnover of the residential property market will surely signal a scramble of reluctant landlords seeking to sell.

And while the top layer of corporate rentals continues to attract investors, few individual and no institutional investors have shown any interest in financing more prosaic properties for rent – notwithstanding the protection provided by the 1988 Housing Act.

John Brennan

LONDON PROPERTY



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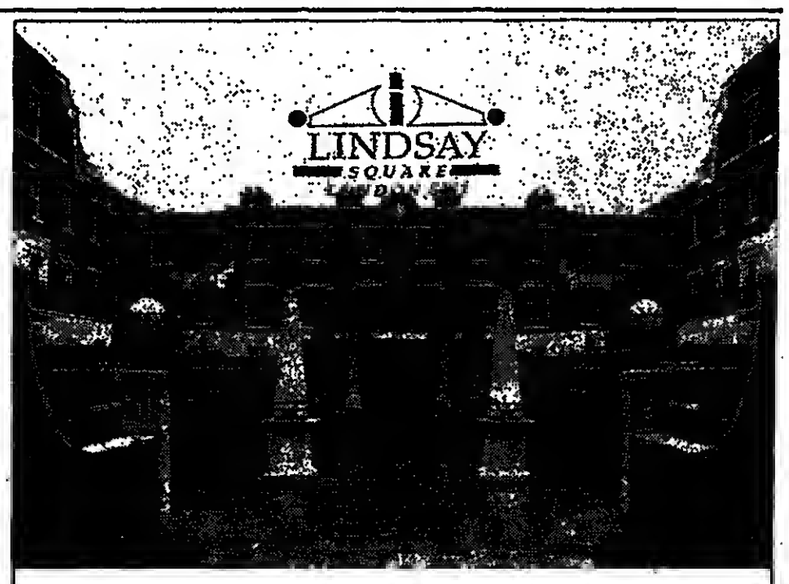

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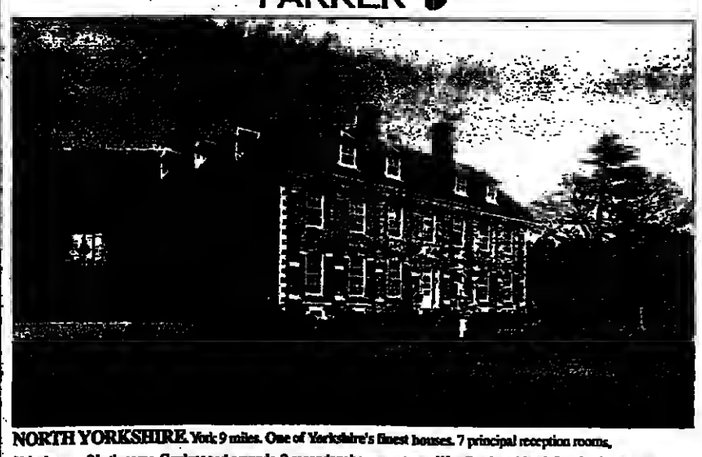

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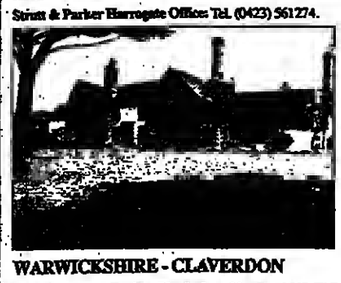

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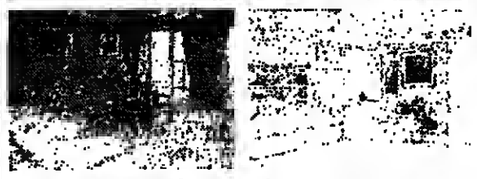

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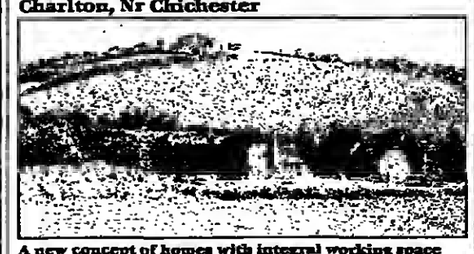

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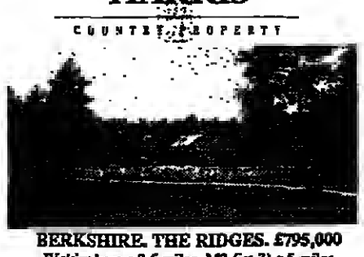

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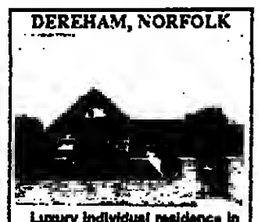

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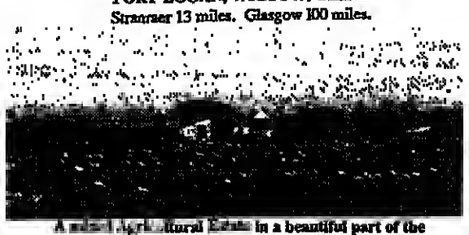

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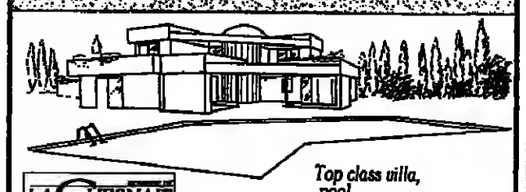

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As They Say In Europe / **James Morgan**

Croatia's key battlefield: the British press

THESE ARE hard times for foreign correspondents in London. They have given up on the tedious round of speculation about the next election – not the outcome, hut the date.

Nothing interesting has been written ebout John Major since the Economic Summit in July. Only if you are a Croat are there interesting local stories, as we shall learn. And abroad the British may ha glad to know that they are not seen as they somatimes see themselves. There ara three instances this week where they appear more like they were, circa 1900. Powerful, careless of foreign opinion and masters of underhand *realpolitik* in the cause of freedom.

First to the Croats. They are winning one war at least – in the media. This has had diplomatic consequences. The last copy of the Zagreb *Vjesnik* to arrive asked if the Germans and the French agree on recognition for Croatia "can Britain put a spoke in the wheel?"

The paper's London correspondent, Jasna Zanic-Nardini, has combed the British media to see if their "Balkanologists" can sway official opinion. She starts with a tribnte to the television correspondent, Martin Bell – "The BBC demands from him a sober, balanced approach – and that is what it gets from this experienced professional." The only succour for the Croatian cause Zanic-Nardini can gain is his remark that he had never witnessed a more dangerous war.

Ambrose Evans-Pritchard of the *Daily Telegraph* is extensively quoted and provides the headline for the article with his comment that the Serbian regime bed deliherately revived the "ancient hatreds" of Yugoslavia to launch an "atavistic war against Croatia."

The Independent is also approvingly mentioned; it believes that recognition could reflect a "just concern for world order." Croatia, of course, sees itself as part of the New World Order, whatever it may be. while Serbia seems to play into hands of its opponents by representing one that has collapsed.

In Belgrade there is little concern for the niceties of international opinion; most reporting comes from the Croatian side. And in Zagreh it is hoped this will push the British into line.

The mayor of Pforzheim in sonth west Germany has the same hope. This story begins on February 23, 1945. The RAF nsed 392 heavy hombers to destroy Pforzheim and more than a fifth of the 80,000 inhabitants died in the raid. It was part of the strategic bombing offensive of Lord "Bomber" Harris. A statue of Harris is to be erected in London and the Queen Mother has promised to unveil it.

Oberbürgermeister Becker has protested to the British Ambassador. The mayors of other cities flattened by the RAF are joining in as is the *Frankfurter Allgemeina Zeitung*. "There exists, naxt to war-guilt, also war-conduct-guilt which employs inhumane methods that conflict with human rights in the name of a war waged for democracy and humanity ... In Dresden, a city that was a victim of Harris-barbarity just before Pforzheim, there are good people of the post-GDR period who are concerned that there still has not been one word of regret from the British. A memorial for "Butcher" Harris would be the opposite."

The *FAZ* supported the strategic bombing offensive condnicted hy the US Air Force against North Vietnam.

■ ■ ■

The curious affair of P-26 was scarcely reported in Britain. An investigation sponsored by the Swiss government found that the British secret services, including the SAS, had clandestinely helped organise a "resistance group," P-26, in Switzerland.

It was intended to operate as a "stay-behind-organisation" in the event of the continent heing overrun hy the Red Army. It was linked to the Gladio organisation which originated in Italy and caused a scandal that nearly toppled President Cossiga last year.

Swiss cahinet ministers knew nothing of the operations of P-26 which was backed by tha unadventurously named P-27 force. P-27 kept files on Swiss "subversives" – presumably those citizens who flush their lavatories after 10pm.

The *Neue Zürcher Zeitung* took these revelations in its stride. It said that nothing had come to light that warranted a further investigation into the activities of P-26. But the report had revealed that "relations with the British went far beyond anything previonsly known. However, the Federal Council in its statement correctly recognised the benefits provided hy the British services. It should not be forgotten that without the *rich experience* (NZZ's italics) whicb Britain had accumulated in this area – not least because of its *active support for international resistance, against the Third Reich* – the post-war *construction* of a Swiss anti-Communist resistance organisation would have been scarcely possible."

Many may find it "scarcely possible" thet the Swiss turned to the British for advice on how to run secret operations

■ ■ ■

Things are tough at *Pravda* – "world'a largest daily sale" – these days. It has had to issue an appeal to the government in the *form* of an editorial.

"This year, by force of circumstance, *Pravda* has found itself in a critical situation. As a result of a number of legally unfounded decisions, we have found ourselves to be economic bankrupts without any prospects ... *Pravda* is part of our history, it is a national asset which individuals – whatever position they may currently occupy – have no right to dispense with."

■ *James Morgan is Economics Correspondent of the BBC World Service.*

Lowering the scarlet standard

Robin Lane Fox likes his red hot pokers in shades of cream and green-lemon

Plant of the week

Anemone Lady Gilmour

This is ona of the most beautiful of tha Japanese hardy herbaceous anemones flowering in late summer and autumn. It grows about 2½ feet high and has large, semi-double, soft pink flowers. It will thrive in any fertila soil and appreciates light shade thought it can also be grown in full sun. Propagation is by division in spring hut plants do not need to be divided frequently as they are rather slow in re-establishing themselves. Most nursaries catalogua this plant as Anemone Japonica Gilmour and this is the name by which it is best known in gardens but it is probably mora correctly called A. x hybrida Margarette. *AH*

EVERY YEAR, the ground becomes as hard as a brick when we are all supposed to be *planting daffodils. I have* postponed the spadework and have continued to think bow best to upgrade my autumn in future.

These plans are a long-term matter which need effort now and a look at other people's results. They also need a knot in gardeners' handkerchiefs. This past month, I have seen new possibilities at the Royal Horticultural Society's Great Autumn show in London and at great public gardens, planned for a long display. The ideas need to be stored ontil next spring and for results a year, perhaps three years, hence. Autumn otherwise becomes a list of good intentions.

By lcoking and travelling, I have revised some old prejudices. If you want to terrorise a thoughtful plantsperson, you would probably threaten her with red hot pokers, dahlias and salvias, the redder the better. All three of these visual nemeses have risen to the top of my list of good intentions because there is more to them that most of us realise.

For a start, red hot pokers no longer have to be red hot. They come in shades of cream and enviable green-lemon, colours which are all the rage in any other type of plant. It was only an unfortunate accident that the large family of the Kniphofia became popular and well known for its harsh ram*rods of orange and red.*

Varieties of greater delicacy have always lurked in the family and smaller nurseries have hrought them back into the open. At the Great Autumn show, a pale yellow poker called Little Maid had become decidedly widespread. I can well understand why as it is totally hardy, a pleasant colour and multiplies easily although prices begin at about £2.50 for one plant.

Autumn is the time to revise old prejudices and dead-head the dahlias

It is not the best available. There are pokers in shades of pale peach, a tall cream-yellow (Torchbearer) and best of all, some bi-coloured forms with cream spikes of flower and dark red-brown tips (Modesta, perhaps, is the hest of them). Take your pick from this year's *Plantfinder* and do not recoil from prices of up to £5 a plant. Each one soon multiplies so that it can be split into half a dozen. Pale-coloured pokers are set to be the stars of the 1990s as soon as garden *centres wake* up to *them and their* wholesalers multiply the stock.

What surprises me most is the wide span of their season, from July until late October when flowers begin to appear on forms like Green Jade. The same season is a virtue of dahlias, so long as you dead-head them, an enjoyably squishy experience.

Manve pompoms and the shaggy cactus-flowered forms have given dahlias a bad name among aesthetes, but once again, travels and time at the shows have taught me to look again.

Like all tha great *families, dahlias* have highly desirable varieties, but you have to know where to look. The most elegant forms are classed as small waterlily, small cactus and collarette, and the colours range from white through cream-pink to a really dark red.

One of the best ways to pick a decent dahlia is to head for the North Orbital Road, turn off the A414 at London Colnay, near St Albans, and visit Ayletts whose vast range has won an RHS gold medal every year since 1961. Ayletts have some awful mauves and over-sized forms hut they also have heauties like the cream-

white Abridge Snowflake which would fit into any civilised scheme. Plants for 1992 have to be collected next April, May or June and will cost a standard £1.45 each: the journey is worth it.

As for salvias, they already have their place in the sun, but it owes little to the awful scarlet forms which seedsmen offer as annuals and seem only to appeal to the French. Once again, you need to look, note and play the *Plantfinder* in order to acquire the emergent stars in this family.

The blue forms are becoming familiar, but the ones which impress me most are the vibrant rose-pinks and cherry reds. At Powis Castle, the rich rose-red confertiflora stands out in the garden's half-hardy bedding and lasts well into October, after the collapse of early border plants, you can bed these tall salvias into the gaps and give the garden new body and height.

The easiest are two cherry-rose varieties with the shape of small shrubs. Salvias grahamii and neurepia flower continuously hut only turn up on the balconies of informed gardeners. They ought to be far more popular because they last for weeks and in mild winters will live to flower again. Their small tips of cherry-red flower have none of the harshness of the seedsmen's popular forms.

They are also far cheaper because one plant will give yon dozens of easy cuttings which root at once and can be brought through the winter in any frost-proof place or cupboard. Find a willing owner and privatise some bits for yourself: they change the range of autumn, a time when red hot pokers can be pale and pleasant and even the dahlias can be a mild cream-pink.

Rebirth of a park of follies

EXPERTS may argue as to which is the greatest of the 18th century English landscape gardens. Is it Studley Royal, Castle Howard, Rousham, Stourhead or Stowe?

There is no doubt that Stowe has the greatest number of buildings – and this has made it particularly difficult to preserve. Trees, lakes and grass are relatively easy to manage. Trees can be replaced a few at a time and can be managed so that they are self-renewing. Water is to a considerable degree self-maintaining, although it can be costly to keep it free of weeds, and grass can be grazed by cattle or sheep, which was the original intention and was why the ha-ha, or concealed ditch, was invented, since it prevented cattle from straying.

Bulkings are a totally different matter. Even the best fall into disrepair and, as has become plain in the present thorough assessment of Stowe by the National Trust, many of the most impressive of them were not well-built.

"Bodger" is a term that has been applied to some of the builders who worked at Stowe. To be fair to them, they were not building for posterity. They were making conceits to satisfy the ambitions and vanity of the great men who owned the properties and imagined themselves as Roman patricians, creating scenery that was actually an improvement on that of ancient Rome and Greece.

Some of them, and particularly Lord Cobham and his successor Earl Temple at Stowe, were prepared to move buildings from one place to another, if the first site did not prove entirely to their liking.They would make building alterations to suit their whim. It was all a game, rather like making gigantic theatrical sets, and they had the wealth and the self-confidence to carry it out.

It is not wise to ascribe too much importance to tbe professional architects and designers who worked for these gifted amateurs. To a considerable extent they did what they were told, and, if it did not satisfy, they were told to do it again, or someone else was engaged.

All this is relevant to Stowe's future. A few years ago, it seemed almost impossible to save, except, perhaps, in some truncated form. Since 1921 the mansion has been the home of the public school, and tbe management did all that was possible to prevent 32 notable garden buildings and monuments from sinking into disrepair, an increasingly difficult task.

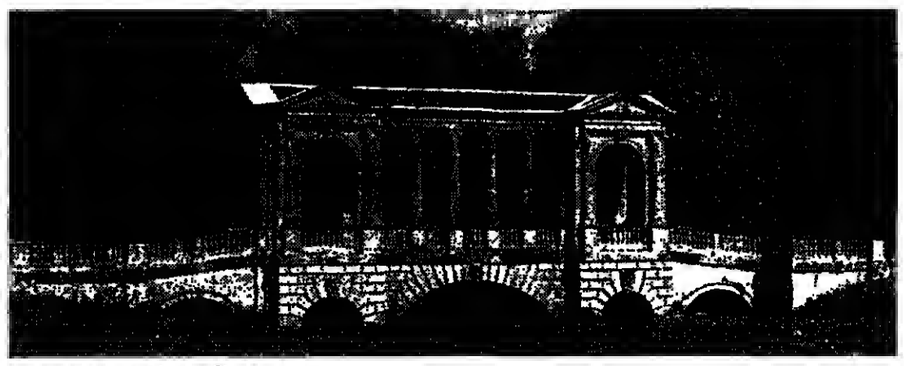
Then, in 1989, an anonymous benefactor and the National Heritage Memorial Fund made it possible for the ownership of the gardens to be transferred to the National Trust, for the school to lease back sports facilities and for a national appeal for a further £1m to be launched to provide a substantial endowment, though it seems to me that mnch more money will he required befora Stowe is fully restored and safe. But a highly satisfactory beginning has been made.

A computerised survey of the gardens has been completed and Laser Survey of Worcester is undertaking a detailed topographical examination of 100 hectares of garden, including all trees, shrubs, woodlands, stumps, paths, huildings and contours, which can be added to, reduced in scale, or enlarged with ease. All historical information available in the UK is being studied and also records held at the Huntingdon Library in California, which has mucb material about the making of Stowe.

Already several buildings, including the beantiful Temple of Ancient Virtue, are under repair, a good deal of planting is being undertaken, and some trees are being removed, in accordance with what has been revealed by the thorough tree surveys.

But perhaps what is of greatest interest to those members of the general public who are concerned about the preservation of this remarkable landscape garden is that, for the first time for many years, it is possible to view it easily and in comfort.

A new entrance for National Trust members and the public has been made just north of the school, close to the Temple of Concord and Victory, and from here a continnous path, or in the area of The Elysian Fields, a circulating path has been made right round the great landscape to include all the famous buildings and monuments and the important view-points. Nearly all this path is made smooth and resilient to walk on by being deeply covered with hark and wood chippings. There is an almost endless supply of raw material for this at Stowe and the chipping is done on site according to requirements.



The Palladian bridge at Stowe

I suppose there must be at least two miles of path (it certainly felt like that, when I walked most of tha way round it the other day), and, if yon are old or handicapped, the National Trust will lend yon a Batricar free of charge if the five they own are not already in use when you arrive.

Visiting times are a little complicated because they vary, according to whether tha school is in term or not. During vacations, it is open virtually daily from 10 am to 6 pm or dusk. But when the pnpils are there, access is difficult. However, at the moment, until October 17, openings are on Mondays, Wednesdays and Fridays from 10 am to 5 pm. OnOctober 18-27, December 27-31 and January 1- 5th, 1992, the school is closed and the garden open. It is closed on the December 25-26.

Arthur Hellyer

Two kopeks: the price of revolution

JAMSHED Mirzoev does not look like a man to start a moral revolntion. Small, nervous, and habitually dressed in a purple Soviet tracksnit, he runs a shabby state shop in a remote Tajik mountain village.

But last month he committed a sin which plunged his village into controversy. Illegally, he raised thc sacred price of flour – still at its 1950s level io Soviet Tajikistan – by two kopeks a kilo. Until then, he told me, as he sat in his rickety shop disconsolately sucking powdery green "nos" (the local narcotic), he had favoured a quiet life.

In common with state shopkeepers across the Soviet Union, he collects an erratic supply of goods, allocated to him each month from a central distributor in his local city, Dushanbe, and half-heartedly ottempts to sell it.

If the allocation happens to be in cubed sngar, cooking oil, or matches, it sells out in minutes. If it comes in the form of tins of salted seaweed salad or Afghan olives, it does not sell at all; Tajiks distrust such "foreign" food. But because central planners decree that all shops in thc district shonld he stocked with such stuff, no matter whether Ukrainians like it or Tajiks hate it, every month he dutifully re-stacks his tins, trying to camouflage them behind rolls of cloth as the pile grows.

Moved by a nuxtnre of sympathy and curiosity, I actually bought some – the first person to do so for years. I found the olives delicious, the salted seaweed unspeakable.

"It makes no difference to me whether people buy them or not – I get paid whatever I do," he explained to me.

But last month, fired by the new market philosophy and a healthy dose of self interest, along with a certain jealousy of the new co-operative semi-private shops in Dushanbe, he decided to make a stand. He put up his flour price.

Gillian Tett on the great flour debate that split a Tajik village

The logic was text book economics. Getting the flour out of the clutches of Dushanbe hureaucrats and up the mountain road to the tiny village shop takes a considerahle effort. The roads are regularly destroyed hy earthquakes and landslides; the distributors in Dushanbe increasingly vague about the whereabouts of the flour: the villagers so keen to buy it that the mere rumour of a flour truck is enough to trigger scenes of impending violence. mith village grandmothers clustering around the store waving empty hands at the beleaguered storekeeper.

"If Jamshed felt he was getting something out of it, even just a couple of kopeks, then maybe he'd try a bit harder to get more flour into the shop," explained Mirzoev's hrother. Husein, who works in a mine further down the valley and is rumoured – like tbe relatives of all Tajik state shopkeepers – to be sitting secretly on a larger supply of flour.

But the villagers were furious. However confnsed or bored they are by Soviet politics, everyone knows that only a month ago Kakhor Makhkamov, the Tajik president, nervously promised that the price of flour – which had hriefly gone up during the April price rises – would be frozen to the "pre-reform" level.

I asked a group of self-righteous grandmothers gathered round the shop why flour should be differeot from any other product. "Because if the price of flour rises we'll starve!" shrieked a formidable and well-fed woman who only the week before had told me, smugly, how much better the food supply was in Tajikistan than in Moscow.

"Because the price rises are an attack on socialism," explained the village hrigade leader. "If everything becomes a co-operative, then it'll be run by the Mafia."

The village brigade leader sports an improbably huge moustache and a chestful of medals from Second World War exploits in Germany which have left him with an enduring admiration for the hlack and white cows he once spotted near Berlin. It would have been tactless to remind him that socialism was already under attack. Like many of his generation he is not merely a socialist, hut a sincere admirer of Stalin.

Enthusiasm for communism, however, has never prevented him from milking his family's hrown cows, tending his private kitchen plots with pride, or selling his produce in the local markets – even during the Stalinist period. And though the prices in these markets have heen steadily spiralling upwards for months, he continues to buy his lemons, headscarves or tomatoes there without protest.

Nevertheless it would appear that state flour is in a different ideological category from lemons. During the ensuing weeks Mirzoev's shop door remained firmly shut.

From time to time the village hrigadier issued threats that if sacks of flour did not appear in the shop soon, Mirzoev would receive no more petrol (the petrol pump was controlled hy the brigadier's hrother). Mirzoev darkly hinted thet if his flour price was not accepted, the village shoppers would find themselves doomed to a future of shelves stacked with tinned seaweed salad.

Salvation finally arrived. At the gathering of the village elders someone suggested that although raising the price of flour was unthinkable, charging extra for the flour *sacks*, instead, did not in itself threaten the foundation of socialism.

The thin edge of the market seemed at last to be wedged under the door of the village state shop. Mirzoev was back in business within a day. "Now I'm going to do everything I can to sell lots of flour," he said. Whether he yet feels committed to marketing his state tins of salted seaweed salad remains to be seen.

Writers who suffer for their words

ERNESTO Diaz Rodrigues is one of Cuba's most distinguished writers. Until this summer, wben he was unexpectedly released and allowed to go into exile, he was the longest serving imprisoned *writer known to International* PEN.

He was first jailed in 1968; his punishment was increased in 1974; after 23 years, his sentence still had 17 years to run. During his imprisonment he wrote 10 books and learnt languages listening to the radio.

On his recent visit to London he showed me the manuscript of his latest book. It is a tight wedge of paper rolled smaller than a tennis ball and covered with handwriting so minuscule that it can scarcely be read by the naked eye. Even when, in common with the other political prisoners, Diaz refused to wear uniform, he was able to keep his book by him at all times tucked in his underwear.

International PEN, an organisation of writers with 86 centres round the world, campaigns on behalf of colleagues who have been imprisoned for no other reason than that their writings have offended the authorities. PEN tries to keep in tonch with them and sends books to any prisoners who are permitted to receive them.

In recent years there have been spectacular improvements. All the imprisoned writers in the countries of the former Soviet Union and of Eastern Europe were released shortly after Mikhail Gorhachev came to power. This summer many Turkish writers whose imprisonment dated back to the military coup of 1980 were freed, although others are still held for writing about the Kurds.

Jack Mapanje, imprisoned in Malawi withont trial since 1987 for the alleged political cootent of his poetry, is out, as is Ali Idrissi Kaitouni who in 1982 wrote a poem which was taken to be satirical of the king of Morocco.

William St Clair on a campaign for authors who are jailed or harassed

At the latest count there are still more than 300 writers and journalists known by name to be in prison. In the first few months of this year there were also reports of 21 killed in suspicious circumstances, 10 kidnapped, 44 who have disappeared, and over 100 charged or restricted in some way.

In many countries of tbe Middle East, incloding the Israeli-occupied territories, writers are always at risk.

In Kenya, Professor Edward Oyugi, a novelist and writer on educational subjects, has recently been sentenced to seven years for alleged sedition in calling for mnlti-party democracy. In China the clampdown continues. Reports describe prisoners being held in isolatioo cells 4 metres square with no access to books, tapes, or radio, no family visits and one exercise walk a week.

Oppressive governments fear the power of ideas, and rightly so. The pen is not always mightier than tha sword, but in the end it is more effective. South African customs officers are said to ask visitors: "Any firearms or books?" And it is not ouly governments who are intolerant of hooks with which they disagree. Salman Rushdie, a British citizen and member of English PEN, may not be in jail hut he has lost his freedom.

On Sunday October 6 at 6pm the National Film Theatre is arranging a special showing of Reunion, a beantiful and moving story of friendship and loyalty based on Fred Uhlman's novel. Jason Robards plays the leading rola. Harold Pinter, who wrote the screenplay, will then take part in e discussion with Simon Curtis. All the profits from the evening will go to help writers in prison.

■ *Tickets are available from English PEN at 7 Dilke Street, London SW3 4JE. Tel: 071-352-6303. Ticket prices start at £7, those at £20 and £25 include an invitation to the reception for the speakers.*

■ *William St Clair is chairman of the Writers-in-Prison Committee of English PEN.*

A bout of Scarlett fever

Our Literary Editor has just read the sequel to Gone With The Wind

"GOD'S nightgown!" as Scarlett O'Hara used to exclaim. Here's the much-hyped sequel to the world's Most Popular Novel. Great was the labour (or so Ms Ripley's 750 pages attest) and out comes... well, not a mouse but a conventional romance, a blockbuster unworthy of its model, ignorant of the genius of Margaret Mitchell's bestseller.

How does *Gone With The Wind* work? *Why* has it sold 28m copies (Macmillan has just released a new edition) and sired the world's most popular movie? What is it about Scarlett, that monstrous Southern beauty, and Rhett Butler, who will always look like Clark Gable, which captures the imagination?

The answer – and it's an answer which is also the only way of making sense of the impact of any eternally popular bestseller, from *King Solomon's Mines* to James Bond – is that *GWTW* touches on the stuff of myth: that is to say, it relates to, it slots into, the symbolic images and archetypal tales of our cultural inheritance. You can talk about *GWTW* in the same language as *The Odyssey* or *The Ring* (yes, I exaggerate a little).

What is *GWTW* about? Surely it's a *Götterdämmerung* (Margaret Mitchell actually uses the word) – a saga of the twilight of these white gods of the Confederate South. Intertwined is the tragedy of a child-woman struggling bravely to grow up, yet frustrated because of the faults of her character; it is a story of a love that fails in consequence of those faults – the death of the child of Scarlett and Rhett symbolises that. In mythic style, Scarlett takes refuge yet again in her Tara plantation, i.e. she returns to the Earth, which consoles her and gives her new strength for her next journeyin search of wealth and success and, above all, her man. It is, in its way, a masterpiece: have any of us ever forgotten its first impact, whether as novel or film?

A new biography of Mitchell, *Southern Daughter*, though far too long and inflated in the American style, is rather good when it reminds us how Scarlett'a creator saw her warts and all. Scarlett, said a distinguished psychologist, is a fascinating case of a "partial psychopath", unahle to respond to true emotion, intent on the pursuit of selfish and trivial goals; contrary to her popular image, Scarlett is not passionate hut frigid (aroused to passion only hy near-rape). Interestingly, Mitchell apparently agreed with this interpretation and regretted that her intentions had been misread (especially by David Selznick's film) – she spent two years writing what was intended as a "radical, revisionary and rebellious" picture of the South, in which she showed the traditionalists all going under *as they deserved*.

SCARLETT
by Alexandra Ripley
Macmillan £15.99, 759 pages

SOUTHERN DAUGHTER: THE LIFE OF MARGARET MITCHELL
by Darden Asbury Pyron
Oxford £17.95, 560 pages (October 24)

So, what of *Scarlett*, commissioned from Alexandra Ripley by the Mitchell estate?

It starts with the benefit of the momentum of the final chapters of *GWTW*, at the funeral of the saintly Melanie (who was of course the true heroine of tha novel, though it's easy to forget it). Old hlack Mammy with her dying words makes Rhett swear to watch over Scarlett, who goes off to Atlanta, Charleston and Savannah; her unflagging concern, as she promised in the last lines of *GWTW*, is to win back Rhett ("He was the only man in the world who didn't wrinkle linen...")

He rejects her for hundreds of pages ("You're a poison in my hlood, Scarlett, a sickness of my soul") but he makes the mistake of taking her for a sail, which almost drowns them and leaves them with just enough energy to enjoy the only sex bout in the book. Result, as always with Scarlett, is Baby – but she doesn't tell him because he has meanwhile married a young girl who "looks for all the world like Melanie". So Scarlett goes off to Ireland – indeed, she spends nearly half the book there – with her Irish uncle, a Fenian priest. She eventually decides to marry a dastardly English earl, but drama intervenes and Rhett arrives and the English soldiers shoot Uncle Colum and – yes, "Luxurious weak tears of exhaustion ran down her cheeks...'You've changed, Scarlett, you've grown up...'"

It's too easy to be rude.

Why is this not-good-enough? Because it does not attempt to work either at a mythic level like its predecessor or even at a level of sophisticated storytelling. Thus, *GWTW* relied on a subtly interrelating foursome of Scarlett, Rhett, Ashley and Melanie. Here, Ashley is jettisoned, Melanie is of course dead, and the only new character of any importance is the Irish priest, substituting for his brother, *Scarlett's father. The result is that* the dynamics of the plot are too thin. More important, in *GWTW* the personal adventure was profoundly and repeatedly linked with the historical drama of the defeat of the Confederates, the destruction of their classic way of life, and how they coped with the New Order. There is none of this here: the switch to Ireland hints at parallels *but nowhere achieves them.*

The intention, I assume, was to note that in *GWTW* Scarlett has the instinct when in trouble to retreat to the land, to the beloved family farm, at Tara – so named after the mythic home of Ireland's High Kings. In *Scarlett* she retreats to the actual site of Tara, in County Meath, which happens to be where the O'Haras came from. She rescues the family and becomes "The O'Hara", but for all her ecstatic motherhood and her encounters with the local witch the tale is inadequate to carry any mythic dimension.

She's simply a gutsy, pretty woman, coming on 31, who knows that she loves one man, and waits, and waits, for him to come to her. In the end he turns up. That's a competent romantic novel. No more.

J.D.F. Jones

Ill-at-ease in Hawaii

HOW FAR has he gone? Six novels back, Finbar, the priest in David Lodge's *The British Museum Is Falling Down*, hurtles along the Edgware Road screaming about contraceptives to a conscience-pricked graduate. In this latest work, the priest is hero: lapsed believer, scandal-rouser in his parish, shambling naif in the rowdy, secular world.

Paradise News is a 1990s update on Lodge's Catholic comedies *The British Museum* (1965) and *How Far Can You Go?* (1980), in which familiar Lodge themes – doubt, conscience, honesty versus self-advancement – glitter in a new constellation: Hawaii instead of Rummidge, holidays instead of work, theology instead of sin and rules. Ex-priest Bernard Walsh escorts his father to see a dying aunt in Waikiki. Within minutes of arriving, father is run down by a car, Bernard embroiled in an affair with its driver, relatives pop up all over the beach and holiday-makers are farcically deconstructing Paradise. Honeymoons go sour, gay companion instead of daughter-in-law shows up at the airport, every girl's Mr Nice turns into Mr Spoilsport. Through trial and temptation, can Bernard stay an honest man?

The two views of Paradise – Bernard's spiritual quest and the material one that forms its comic backdrop – pull together through a typical Lodge jet-setter, the "tourist" for whom holidays are religion, package trip pilgrimage, swimming pool baptism. Theory runs riot with the plot: multiple perspectives define class, sex and age with stinging precision; old favourites are topically recast – *Nice Work*'s entrepreneur Brian Everthorpe as victim of the recession, for example. Beyond each small scene, the wide-angled lens homes in on trends, signs, symbols.

But – how far does it go? *Paradise News* is amusing, accessible, intelligent, a natural successor in guilty sex and doctrinal doubt to early Lodge novels while breezily picking up social commentary where his last one, *Nice Work* (1988) left off. Yet with its melée of interests and busy plot, it is somehow the lesser work. Overcrowded with people, themes, ideas, it bulges out like a disorderly bus unsure of its route.

Lodge's unique satirical gift is to turn dry literary theory to dazzling fictional effect, – decoding life through the language and structures – from advertisements to families or airplanes – that we take for granted. His are among the rare modern English novels where form gives as much pleasure as content: the literary parodies which edge along the plot of *The British Museum*... while reflecting its hero's grappling with art and reality; *Nice Work* jokily modelled on the Victorian condition-of-England novel even as it dissects "Victorian values" in Thatcherite culture.

But in the holiday world of *Paradise News* Lodge is as ill-at-ease as his scholarly hero. Always the teacher, his flimsy hold on his new subject cramps his style; we expect ideas and arguments thrown out as jokes or parodies; we find flat, sober expositions which appear to include every fact Lodge has researched about the sociology of tourism.

Paradise News is written with Lodge's usual assurance but without experimental flair. The plot works repeatedly through disappointed holiday hopes, with none of the spiralling coincidences of true farce. Child abuse is clumsily introduced and dismissed, almost as another bid for topicality. Interwoven first and third person narratives – Bernard's life story versus Hawaiian jollification – do not cohere; literary quotation and theological debate float freely and uncertainly. Names are ordinary – Yolande Miller, Russ Harvey, Sidney, Sue, Dee; *Small World*'s cast of Morris Zapp and Phillip Swallow, Desiree and Angelica, are more real even as one is reading the present novel.

And yet... Lodge, like all good novelists, celebrates the everyday: careful observation of detail, character close-ups, the broad scope of humanity. For all his satirical vigour, he is among our most generous writers. Who else could make the tiresome fool scavenging other travellers' cellophane butter and cheese a winning and comprehensible character? Or convincingly turn a frost-bitten bride into a tender lover? *Paradise News* is not his most artful creation, but the story rolls, the sparks fly.

PARADISE NEWS
by David Lodge
Secker & Warburg £14.99, 294 pages

Jackie Wullschlager

A mannerist tour-de-force

TIME'S ARROW flies straight and true from the end of a man's life to its beginning in this audacious, utterly poised and almost moving short novel. The poise is essentially that between the author's linguistic and narrative virtuosity and his desire to say something worth saying about the concentration camps.

He was considering the possibility of telling a life-story in reverse, he informs us in an afterword, when, after a tennis game with Robert Jay Lifton, the latter gave him a copy of his book *The Nazi Doctors*, and two things dovetailed in Amis's mind. Such a narrative trick in itself would be merely amusing, Nazi subject matter by itself would be altogether unmanageable, but hy putting that form with that content, so Amis must have conjectured, he might work a kind of moral magic which would open up both a difficult area of feeling and some new literary ground.

Not wholly new ground, as it happens. While reading the novel, I caught on Radio 3 Britten's incidental music for J.B. Priestley's 1939 play *Johnson Over Jordan*, which I was surprised to learn also traces its anti-hero's life-cycle in reverse; and the idea of consequence preceding action has of course a notable literary provenance in the figure of Lewis Carroll's White Queen, who screams first and pricks her finger afterwards. But I wouldn't be surprised if Amis got the idea from the rewinding of videos.

He has dabbled with notions of time before, as for instance in the grotesque satire, "The Time Disease" (from his short story collection *Einstein's Monsters*), where *time* is a Aids-like virus afflicting rich, bored and *clapped-out denizens* of a post-nuclear quasi-Los Angeles with an alarming sheen of youthfulness and spurts of unaccustomed energy.

The new work takes this comic idea much further, and, indeed, rather beyond comedy, though there are jokes aplenty. The time-virus has become a nameless parasite resident on the body (and with access to the dreams) of a Don Juanish doctor, with whom it develops a one-sided relationship that is now matey, now wifely, hnt always prone to disenchantment. The youthful recrudescence has become the host's regression in time, as narrated by the bewildered, backwards-seeing parasite, from the persona of middle American old lag Tod Friendly, through various expeditious changes of place and identity, to being the assistant of a Dr Mengele figure and administering Zyklon B in Auschwitz; then further back to impoverished German childhood and birth.

Julian Barnes enlisted a woodworm as narrator for one of the 10½ chapters of his recent *History of the World*, so a bodiless parasite is going it one better. Like all Amis narrators, this one commands a prose of verve, intelligence and rich metaphorical novelty; and to a dubious extent the device is an excuse for hitherto undreamt-of flights of Craig Raine-ish "Martian" fancy. The parasite'a description of using a New York yellow cab is delightful: "They're always there when you need one, even in the rain or when the theatres are closing. They pay you up front, no questions asked. They always know where you're going. They're great. No wonder we stand thare, for hours on end, waving goodbye, or saluting – sainting this fine service."

But the parasite's unflinching objectivity leads more often to what might be considered tasteless remarks: "Corporeal life is not withont its minor indignities. We still take it in the ass every morning, along with everybody else – but the whole thing's over in a trice these days. Tod, I salute you: what bowl know-how, what can can-do." The Jews being "created" from the air at Auschwitz are "dying to be alive". The Mengele character "can knock together a human being out of the unlikeliest odds and ends. On his desk he had a box of eyes. It was not uncommon to see him slipping out of his darkroom carrying a head partly wrapped in old newspaper... The next thing yon knew, there'd be, oh, I don't know, a 15-year-old Pole sliding off the table..."

Tested crucially in the climactic Auschwitz chapter, the reversal method does begin to falter – not through lack of skill on Amis's part hnt because the deathcamps' reality proves intractable even to this subtle art, whose "tastelessness" is really nothing of the sort. Yet it is the method itself that has brought us so vivid a picture of that reality, while it also allows of an original and quietly touching sointion to the problem of describing the camps and their guilty aftermath, which is simply to wind back the narrative to the point in time before the atrocities happened. The doctor-protagonist is restored in the end to innocence as a fact: "ignorant and innocent," the parasite comments, "never having known anyone, even Irene, even Rosa, even Herta, even tha Jews and tha others I made."

Too relentlessly dispassionate to be exactly moving, the novel is more than a *tour de force* of literary mannerism. Though it strains the eye and makes the head spin (the back-to-front dialogues are particularly disorienting), the experimental narrative method is genuinely compelling in a way that mannerist devices such as, for instance, John Ashbery's use of two simultaneous speakers in his long poem *Litany*, seldom are. The book'a devastatingly sustained black irony stands comparison with Swift's *A Modest Proposal*. It is, I think, Amis'a finest achievement to date.

TIME'S ARROW
by Martin Amis
Cape £13.99, 176 pages

Paul Driver

Martin Amis: black irony

A ghost lost in a family tree

AT THE age of 78, Robertson Davies is clearly a writer who likes to get to the point: his latest hook opens with a murder in the very first sentence. To make matters more interesting, the victim turns out to be the narrator of the ensuing novel. Connor Gilmartin, the middle-aged arts editor of a leading Canadian newspaper, is hindgeoned to death by his film critic, Randal Allard Going, after he catches Going at it with his wife. Gilmartin finds himself transformed into a walking spirit who possesses sight, hearing and memory, hut is invisible to those still alive. After a short spell of hitter confusion, he grows accustomed to his disembodiment and decides to haunt his murderer.

So far so good. Davies has efficiently set-np what promises to be a neat voyeuristic satire. Bnt then, quite jarringly, he changes course altogether, turning *Murther & Walking Spirits* into a thoroughly conventional, somewhat stodgy historical novel. Gilmartin follows Going to a film festival, intent on causing mischief, though when they enter the theatre something unexpected happens. Gilmartin finds himself watching movies that are far different from what the others behold. He soon realises that he is witnessing an epic film telling his family history.

The action opens in Revolutionary War-era New York, where his Loyalist great-great-great-great-Grandmother, Anna Gage, escapes to Canada after the death of her British husband. After this, a new reel is run before our ghosts's eyes, this one narrating the story of his Welsh forebears as they bring themselves up from poverty to a position of great wealth, only to undergo the comprehensive ruin that forces them to emigrate to Canada. The film then depicts the two families as they come together, proceeding from the story of Gilmartin's architect great-grandfather, to his newspaper tycoon grandfather, to his college professor father. Throughoot, Gilmartin learns things about his ancestors he never suspected, their secrets and deceptions, their disappointments and small triumphs. The film history ends with the auction of his ancestral Welsh home, whereupon the ghost leaves the theatre in order to facilitate his murderer's moral breakdown.

Murther & Walking Spirits is a strange and unsatisfying hyhrid, a book in which the attempt to graft a historical saga onto a ghost story withers on the vine. It is certainly convincing in parts – the initial ghostly awe of the murder victim is believable, and at times the historical narrative takes on an impressive sweep, such as during Anna Gage's escape from besieged New York, or the attempts by the opium-ravaged great-grandfather to build a great cathedral in the Canadian hoon docks. Othar sequences are far less successful, such as a stab at Joycean stream-of-consciousness involving the narrator's embittered grandparents and his lovelorn father as they sit sullenly aroond a fire, or a silly scene in which Gilmartin's widow conspires with her unctuous agent to write an exploitative hook ahout har husband's death. And the ending seems downright perfunctory, with a strange metaphysical dialogue between the narrator and his "feminine other" that bears little reference to the preceding pages.

The novel's real prohlem, however, is that Davies never convinces us how these disparate elements should hang together. The early switch in tone and scope throws the hook hopelessly off course. Davies clearly has a story to tell, and a seemingly personal one at thet. He just has not figured out how to tell it. With a more careful structuring, the Gilmartins' history might have been compelling. As is, it is no more interesting than looking at some stranger's family tree.

MURTHER & WALKING SPIRITS
by Robertson Davies
Sinclair-Stevenson £14.95, 357 pages

Robertson Davies

Stephen Amidon

Sarah's ambition

FRANCES Harris's book is aptly titled. The passion which dominated Sarah, Dncheas of Marlhorongh throughout her long life was her desire to wield political influence. To be a courtier, the richest woman of her times, favourite of Queen Anne, was simply not enough.

Sarah's political amhition and efforts to champion the Whigs against the detested "Torrys" ultimately ruined her relations with Queen Anne. Whenever Sarah felt she might retire from active lohbying, she was prevented by the Whigs, who regarded her as their only supporter close to the Queen. Ironically, they continoed to believe Sarah was influential long after her relationship with Anne had soured.

The life of Sarah, Duchess of Marlhorough, has been written before. But, as Curator of the Manuscript Collection in the British Library, Dr Harris has drawn even more extensively on primary sources, especially the Blenheim Papers, which went to the British Library as part settlement of death duties following tha 10th Duke's death in 1972. Quotations from Sarah's correspondence with the Queen and love letters to the Duke give the narrative immediacy and poignancy.

Sarah emerges as a girl typical of her class: "pretty daughters of minor courtiers and gentry, whose families were prepared to risk their chastity at the disreputable Restoration court in the hope of attracting better matches for them than they might otherwise have hoped for." Sarah was fortunate; sent to Court "extream young" at the age of 13, as a Maid of Honour, she fell in love with John Churchill, an ambitioua soldier who remained devoted to her throughont their long married life together.

But it was her intimate relationship with Anne which most benefited both Sarah and her husband. "It is already clear at this point [1687] how much the special relationship with Anne, on which Churchill's whole future career was to be built, owed to his wife's position," writes Harris. When finally Anne became Queen, the Marlboroughs, as they had become, were able to reap the rewards of their longstanding friendship. But, in Sarah's case, not the political influence she so earnestly wanted.

The story is clearly not of our times; blatant patronage and nepotism are a phenomenon of the past. So too is the fragility of life which gave such importance to the need for sons and heirs. The constant obsession of women to produce children runs as a subtheme throughont the book, profoundly affecting political and social events.

Sarah's life runs parallel to the history of early 18th century England. The author assumes at least a rudimentary awareness of current events. The general reader may find Harris's detailed narrative rather overwhelming. There is no historical outline in which to place Marlborough's many expeditions abroad. A map of Europe and a royal family tree might have given greater clarity to the text.

A PASSION FOR GOVERNMENT: THE LIFE OF SARAH, DUCHESS OF MARLBOROUGH
by Frances Harris
Clarendon Press, Oxford £25, 421 pages

Victoria Schofield

When the gilded youth went to war

IT SEEMS a pity that Sir Rupert Hart-Davis's *Memoir* of his life np to 1946 when he was 39 should not have been published a couple of years ago when we were commemorating the 50th anniversary of the outbreak of the second world war. This slim volume is just the book we needed then, a pithy, witty account of how the life of one individual, a representative of the gilded youth of the 1920s, was abruptly and totally changed by the conflict. Yet the book will, surely, give much pleasure, both to those old enough to compare notes with the author, and to those of an age to wonder what ordinary life was like for their grandparents while Nazi Germany was being defeated.

Sir Rupert kept a journal intermittently and he has managed to retrieve all the letters he wrote to his second wife, Comfort, when sha was living in Maine in 1940 with their two children, Bridget and Duff, and he was sweating it out as a recruit to the Brigade of Guards doing his basic training at tha Depôt at Caterham. He has re-cycled these entertaining letters (minus most of the endearments and references to the children) into this book.

It was as a staff captain, aged 35, at Headquarters in London, that part of his dnties consisted in signing arrest-warrants for absentee soldiers. He noticed on one of them the name J. Maclaren-Ross, that of a writer whose first published short story – "A Bit of A Smash in Madras" - ha had read in *Horizon*.

Maclaren-Ross, a lance-corporal in the infantry based at Southend, had been arrested when he was found in bed with his girlfriend in South London. Sir Rupert went to investigate. "I found Julian... and when I was left alone with him he rushed forward in a state of great excitement, thrusting a tiny hundle into my hands and saying 'Here are my manuscripts'. With some difficulty I forced them into my greatcoat pockets." After Sir Rupert had written a letter to Maclaren-Ross's CO, the army psychiatrists decided this NCO should be discharged. His first book *The Stuff To Give The Troops* (Cape, 1944) was dedicated to his rescuer.

Before the war Sir Rupert left Oxford without a degree, worked first as an actor at the Old Vic and then in publishing. The pre-war hook world is described, involving characters like William Plomer, Daniel George and Jim Hamilton. He recalls his great friend Peter Fleming to whom, according to his account, he handed over a former girlfriend – Celia Johnson- whom Fleming married. Then Sir Rupert evokes his own short-lived first marriage to Peggy Ashcroft. These people are the main players in the crowded prelude to his army experience.

As a one-time actor Sir Rupert was put in charge of the concert at Sandhurst hefore the passing-ont parade. "Hard to follow William Douglas-Home [*sic*]" he writes to his wife "who produced a splendid show for the whole company."

There is no account given in *Old Men Remember* of that show nor is there much of significance about any of the other shows, *Now Barrabbas*, *The Chiltern Hundreds*, *The Reluctant Debutante*, *The Secretary Bird*, *The Kingfisher*, with which we associate this playwright.

Most of this book consists of anecdotes, many of them like shove halfpennies worn thin hy constant use. They concern memhers of the author's family including his parents, his hrothers and sisters, including his more famous hrother Alec, his children, and his wider circle of seemingly innumerable relations and friends. Brian Johnston gets a whole chapter to himself. It is admiring and affectionate hnt it includes a rather tasteless revelation of the fee he allegedly receives for making after-dinner speeches.

The only points – and they are the most interesting ones – where the writer drops the genial manner and engages angrily with his material are when he is dealing with the domination of left-wing directors and dramatic critics over the theatre, and when he is recalling the episode in 1944 that led to his leaving the army.

As an officer taking part in the liberation of France he disobeyed the order to proceed to Le Havre because the German commander of that city had requested a day's reprieve to evacuate all civilians, and this had been refused. William Douglas Home was court martialled, cashiered and sentenced to a year's imprisonment. This harsh punishment gave him the material for his first play. He has been over this ground before but this chapter puts it all very neatly inclnding the latest development in his appeal to have the cashiering quashed. It raises questions which are no less relevant, and awkward to answer now, than they were then.

THE POWER OF CHANCE: A MEMOIR
by Rupert Hart-Davis
Sinclair-Stevenson £15.95, 188 pages

OLD MEN REMEMBER
by William Douglas Home
Collins & Brown £16.99, 192 pages

Anthony Curtis

BOOKS/ARTS

The dilemmas of a Booker judge

Should one resign or not? asks ***Anthony Curtis***

"YOU'RE NOT going to resign over giving the prize to Anita Brookner, are you?" That was what my fellow Booker Judge, John Fuller, said to me on that memorable evening in October 1984. It was around six o'clock; the dinner was due to start at 7.30. We still had to decide on the winner, change into black tie and have our private preliminary drink with Booker's chairman, Sir Michael Caine. We – viz. Richard Cobb (our chairman), Ted Rowlands MP, Polly Devlin, Fuller and myself – were incommunicado in the Booker Boardroom. We had been there for several hours. A gaggle of reporters was waiting outside for the white puff of smoke. Transport was standing by to take us to the Guildhall. Rarely do literary critics experience such a sense of power.

I had been holding out for David Lodge's *Small World* which I thought – still think – in a different league from the other five books on the short list. Rowlands was for *Empire of the Sun*, *Flaubert's Parrot*, Anita Desai's *In Custody*, and *According to Mark*, the novel of a later winner Penelope Lively, were out of the running. Cobb, Fuller, and Devlin were now all solidly behind Brookner.

I had a choice before me – either to resign and dissociate myself from the final decision, or to rehearse yet again the merits of Lodge to the others, filibustering right up to dinner-time in the hope that hunger would win me sufficient converts; or to agree we should give the prize to *Hotel du Lac*. I chose the latter course and so did Rowlands.

It seems to me that if you become a judge of something so hazardous as the Booker, there does come a moment at the end of the day when you have to accept the majority verdict, provided you do not feel that you are giving the prize to a novel that is unworthy of it. Any of the books on our short list was in my view worthy of it. It was not that I did not think *Hotel du Lac* a good novel, well worth reading. I just happened to think *Small World* a better one.

But what does the word *better* mean when you are dealing with novel by different writers with utterly different aims? The question reveals the inherant absurdity of such a Prize, which can only be justified as a publicity exercise for the art of the novel. The truth is that novels are not like athletes competing in a race where you can take out a stop-watch and measure who performs best. Hardy's *Tess of the d'Urbevilles*, Gissing's *New Grub Street* and Kipling's *The Light That Failed* were all published in 1891 and should all have been on the short-list had such a thing existed then. Which was "best"?

The case of Nicholas Mosley, one of this year's judges who has resigned four weeks before that last pre-dinner judging session, is an unusual one. Apparently he does not regard *any* of the six books short-listed as worthy of the prize. Here again – in the composition of the Booker short-list – there is a large element of casino-like absurdity. The art of novel-writing flourishes to such an extent that it would be perfectly possible for the judges to compile two completely different short-lists, both equally valid, from the 150 or more novels submitted.

In our year, for instance, we had to consider and reject novels by William Golding, Amis père and fils, Dan Jacobson, Caroline Blackwood, Alan Massie, Thomas Keneally, William Boyd, Angela Carter, André Brink, and several more out of which we could have easily made an alternative short list at which no one would have batted an eyelid. Even at this preliminary juncture – when the judges have the invidious task of singling out the lucky six – each of the judges will have one or more personal favourites that he or she has reluctantly to surrender to the majority verdict. Ted Rowlands, I remember, was a solitary champion of Dirk Bogarde's *West of Sunset*.

Rowlands did not resign over Bogarde. Mosley has resigned over the omission of Alan Massie's *The Sins of the Father*. In giving his reason in the press he has sought to occupy high moral ground for this novel and for novel-writing. His argument is that besides the seriousness of Massie's novel – it concerns the implications of the Holocaust for us all – the ones chosen by his fellow-judges do little more than "remark on human quaintness". Time may vindicate him. Massie's novel may still be read and pondered when those up for this year's prize are forgotten. But even if that were so, Mosley's principle is a dangerous one when applied to the judging of fiction. I believe that the Holocaust is something we should never be allowed to forget; but I reserve the right to read, enjoy, praise, and even on occasion call great, novels in which it plays no part.

This year's Booker Prize shortlist:
TIME'S ARROW by **Martin Amis** (Cape, £13.99)
THE VAN by **Roddy Doyle** (SECKER & WARBURG, £13.99)
SUCH A LONG JOURNEY by **Rohinton Mistry** (Faber,£13.99)
THE REDUNDANCY OF COURAGE by **Timothy Mo** (Chatto & Windus,£13.99)
THE FAMISHED ROAD by **Ben Okri** (Cape,£13.99)
READING TURGENEV (from **TWO LIVES**) by **William Trevor** (Viking,£13.99)
The winner will be chosen and announced on October 22.

Lautrec's lineage

Before next month's Hayward Gallery exhibition, **Nicholas Woodsworth** goes back to Henri's roots

The eccentric Papa Lautrec in one of his favourite costumes

ALMOST ALL of France's celebrated painters, it seems, are attached to a landscape, to a geography they have made their own. The angular bulk of Mont St. Victoire became part of Cézanne's personality, as did Giverny for Monet, or the streets of Montmartre for Utrillo. If the Impressionists painted the Seine at Argenteuil and Van Gogh adopted the olive groves of Provence, it is because artists are no different from other people: they respond to the need to belong, to make themselves part of the world that surrounds them.

What, then, of one of France's most perceptive artists, an extraordinary figure who rejected an attachment to physical surroundings for the exploration of the further limits of human geography? Henri de Toulouse-Lautrec was not a painter of the landscapes and life to which he was born. Instead he spent the most creative part of his short existence depicting the complex topography of human nature in some of its most pronounced and unguarded forms. If Lautrec was willing to acknowledge the significance of place anywhere, it was in the cabarets, bars and brothels of Montmartre.

It was here he came close to his raw material, the demi-monde of turn-of-the-century Paris – acrobats and drunks, dancers and prostitutes, boxers, society dandies, jockeys, pimps and wayward Englishmen. "Only the figure exists", Lautrec insisted. "Landscape should only be used to make the nature of a figure understandable." In the grotesque forms and characters of Montmartre, Lautrec could find some understanding of that one figure, dwarfish and ugly, which pre-occupied him most – his own.

Montmartre was not Lautrec's natural world. It killed him, alcoholic, syphilitic and exhausted, at the age of 36. He came from a far different world, a place where he might have fitted happily into calm rural landscapes and a traditional social order. Why did he exchange it for a turbulent and self- destructive life? Travel south from Paris across the *Massif Central*, to the sunny valleys of Languedoc, and still today you can find traces of the fateful twists of his early life.

The stone turrets and slate roofs of the Château du Bosc, one of numerous family homes in which Lautrec grew up, overlook hilly country about half an hour's drive from the pink, brick-built town of Albi. Even a short stroll about leaves no doubt that this is a countryside in which the Toulouse-Lautrecs had their appointed place.

The diminutive, elderly woman who opens the gates to visitors here, Nicole Tapie de Celeyran, is not a terribly close relative of the painter's – her great-great-grandmother, Louise, was Lautrec's grandmother; her grandfather, Raoul, was one of 14 of Lautrec's cousins, and spent childhood summers with him. But sit with this proud, energetic woman for half an hour and you will see that tracing the complex family history of recent generations is child's play for her – this is a clan that has jealously watched over its aristocratic lineage in Languedoc for more than 800 years.

Madame Tapie de Celeyran will lead you past hanging tapestries, vast fireplaces and softly gleaming wood to one of the most cherished objects in the château – a framed genealogical chart. At the top is the name of Baudoin, son of Raymond V, Count of Toulouse, who in 1196 married Alise de Lautrec. At the bottom, born in 1864, is the last member of the house of the Counts of Toulouse, Henri de Toulouse-Lautrec. In between, as Madame Tapie de Celeyran will tell you, is a great deal of blue blood.

The Counts of Toulouse were always the noblest among noble families. Present at the crowning of Charlemagne, they long held independent rule over much of southern France. Their prowess as decisive leaders and enthusiastic warriors was the stuff of which troubadours made poetry. In later centuries, after subjugation by the kings of France, they turned their considerable energies to more pacific pursuits – hunting, horsemanship, falconry, and the safeguarding of the purity of the family blood.

Long centuries of such life have worked different influences on different family members. Madame Tapie de Celeyran, for example, is an ardent royalist. As she describes Lautrec's childhood at the château, her constantly gesticulating arm displays a fleur-de-lys-decorated wrist-watch that reads "Dieu et Mon Roi". It may be a long shot, but she is dedicated to putting a Bourbon king back on a French throne. The pages of history, she firmly maintains, can and should be turned back.

A harkening back to a glorious, more noble past seems to have been in the make-up of all the family members. In Count Alphonse Toulouse-Lautrec, Henri's father, it was so marked that it appeared as wild eccentricity. What can one say of a man who took morning rides through the Bois de Boulogne in the dress of a Cossack horseman, stopping only to milk his mare and enjoy breakfast before the eyes of astonished Parisians? Alphonse, passionate about hunting and the sporting life, carried medieval fantasy to new and unimagined heights.

At home in quiet, conservative Albi, he strolled though town with a falcon on his wrist. Sometimes he would pitch a huge tent on the square in front of the cathedral there, saying he preferred it to his elegant townhouse only a stone's-throw away. And when he was in his home, he sometimes barricaded himself in the tall tower overlooking Albi's ramparts, "to be closer to the birds", and had meals swung up on a pulley. Alphonse was never happier than when dressing up as a Kirghiz chief, a Canadian trapper, or a kilted Scots highlander.

Unconventional as it might have been, Lautrec moved in this atmosphere as to the manner born. He rode with his father, sketched scenes of warriors, horses and the hunt with his uncle Charles, played with cousins at Bosc, and moved from one family home to another as his father followed his whims and his hunting dogs. He had inherited wealth, social elevation, and the rural pursuits of a proud, if somewhat peculiar, noble line. He might have settled into a life of happy obscurity in the countryside had it not been for one further, devastating inheritance.

Henri's sketch of his father and uncles returning home

One of the most touching curiosities Madame Tapie Celeyran shows her visitors is an upstairs wall on which the height of various family members was regularly measured and pencilled as they grew up. Henri's is the most notable. Until the age of 14, the record is quite normal; after that, the marks grow closer and closer, and finally stop altogether at a little under five feet.

Lautrec was almost certainly a victim of pyknodysostosis, a disease resulting in dwarfism and often associated with family in-breeding. Such a practice had been common among the Toulouse-Lautrecs for centuries. Lautrec's grandmothers were sisters, his parents were first cousins; his paternal uncle married his maternal aunt, producing a number of birth-defective children.

From adolescence onwards, Lautrec was to pay a heavy price for the purity of his bloodline. After two accidents in his mid-teens, the result of decalcified bones, his legs ceased to grow. Other symptoms of the disease developed – thick, protuberant lips, a receding chin, enlarged nostrils, and an oversized tongue that made Lautrec lisp and salivate heavily.

A future that had seemed solid and assured vanished. Henri was not proud and handsome like his fathers and uncles, could not ride and hunt like them, or grace a table with the dignified Toulouse-Lautrec bearing. For those seeing him for the first time, he was a bizarre object of curiosity. For those more intimately involved, he became to all but his mother a disappointment and a misfit. In the insular world of a traditional country aristocracy, such a figure stood little chance of making much sense of his life.

Did Henri de Toulouse-Lautrec stand a greater chance anywhere else? It would not, on the face of it, seem likely, and his decision to pursue an artistic career under the lurid gaze of bordello and music hall patrons was courageous. His existence in Montmartre was painful and unhappy, his productive life an unending search for some sort of inner truth beyond the instability, indignity and deformation of the outer world. That Lautrec lost his way in the familiar terrain of rural Languedoc was his personal tragedy. The determination to find it, to make himself part of the world again in a night-time landscape far away, was his making as an artist.

Jewish investment in a prince's pleasure

EDWARD VII, EDWARD VII AND HIS JEWISH COURT, by Anthony Allfrey, *Weidenfeld & Nicolson £19.99, 321 pages*

EDWARD VII, condemned before his accession to a regime of stultifying idleness, and insulated by his parents from what they considered noxious influences, was nonetheless endowed with a resilience and joie de vivre that nullified their anxious improving efforts. Deprived of any useful role in his mother's government, or even much information about its functioning, he strenuously pursued pleasures, home and abroad, in town or in the country, all a distinct strain on his income, of which nearly half had to be voted by a Parliament sceptical both of his prudence and usefulness.

Edward sought solace in a circle of new friends, many of them Jewish, who included members of the Rothschild family, the Sassoons, and fabulously wealthy individual entrepreneurs such as Baron Maurice de Hirsch and Sir Ernest Cassel, known in his day as "Windsor Cassel", both of whom functioned discreetly and loyally as personal investment advisors to the Prince and later King. These royal friendships often began casually at house parties or race meetings, and ripened with the gift of lavish hospitality: a Prince bored with rigid Court protocol relished dining out in private houses, particularly those furnished with elegant hostesses and the most exquisite cuisine, wines and cigars.

Cosmopolitan and quick-witted, Edward'e Jewish friends and their wives were knowledgeable about international politics and markets, the Turf, even exotic garden plants, and Edward unabashedly enjoyed eating, gambling, sailing, shooting and fishing in their company. The Jewish magnates were, moreover, exceedingly generous, not merely to the Prince, who barely made ends meet on his £100,000 per year, but to his favourite charities.

The ascent of these Court Jews was rapid but not invariably smooth: members of the aristocracy and others observed their rise with resentment and envy, expressed in a fashionable salon anti-Semitism that was never uttered in Edward's presence but had its resonance in certain drawing rooms. The author of this study also permits himself an occasional sneer: one of the Sassoons, a "dusky nabob, studded with outsize pearls", is depicted as "insinuating his way to the card tables in the Marlborough Club and to the notice of the Prince"; all three Sassoons "sidled casually and imperceptibly into royal favour"; the overwhelmingly luxurious houses, tables and entertainments are described with faint distaste.

Sir Ernest Cassel, nicknamed 'Windsor Cassel'

But Anthony Allfrey is more frequently laudatory, commenting on the bold astuteness of Hirsch and Cassel's business ventures, the genuine mutual affection that bound them to Edward VII, and their high ethical standards: of them, the Rothschilds and other Jews in the King's circle he writes "they never abused the power of their deep pockets. There was no breath of scandal or hint of sharp practice. This set them apart." That these were no ordinary man, and their friendship with the King was genuinely felt on both sides, emerges from a wealth of detail, some of it quarried from the Royal Archives and the surviving Cassel papers.

There are however significant gaps: the special account that Cassel kept of the King's investments "has perished", as apparently have many of the papers recording Cassel's own vast enterprises, ranging from Egyptian banking and agricultural schemes to Balkan railways. We are afforded one tantalising glimpse of Edward's own trading: writing to Cassel on June 1, 1902, the King says, "You will doubtless have heard that Peace is signed.. 'Consols' are sure to go up tomorrow. Could you not make a large investment for me?" The King adds disarmingly "It is to be hoped that the Chancellor of the Exchequer may announce on Wednesday not to put the extra pence on the Income Tax ..." – having been informed of the Chancellor's Budget proposals at least 24 hours before these were announced to the public. There is much more we should like to know about Edward VII's investments and their management; not least to what extent, if at all, Cassel made loans or gifts of money to his sovereign, or reimbursed his investment losses.

Despite helpful genealogical tables sorting out Rothschilds, Bischoffsheims and Goldschmidts, and the Cassels, who included Edwina, Countess Mountbatten, readers unfamiliar with the enmeshed complexities of Edwardian society are likely to go astray amid the thick impasto of Allfrey's narrative. Moreover, his evident inability to forego even one backstairs detail or name-dropping anecdote, however immaterial to his main story – an excursus on Derby winners in the middle of a discussion on Chinese loans, another on the fate of General Boulanger's horse Tunis – becomes at last wearisome.

Despite its occasional tone of servants' hall gossip, Allfrey's book is worth reading, shedding light on significant relationships in the life of Edward VII that have been minimised or neglected by biographers and historians reluctant for a variety of reasons to acknowledge the unprecedented prominence of Jews at the pinnacle of Edwardian society.

A.J. Sherman

Records

Journeys and odysseys

Maw: *Odyssey*. City of Birmingham Symphony/Rattle. EMI Classics CDS 754277-2 (two CDs)
Matthews: *The Great Journey, Fuga, Night's Mask*. Wilson-Johnson, Kwella, Nash Ensemble/Friend. Virgin Classics VC 791462-2
Ruders: Violin Concerto No. 1, Concerto for Clarinet and Twin-Orchestra, Polydrama for Cello and Orchestra. Hirsch, Thomsen, Zenthen, Odense Symphony/Vetö. Unicorn-Kanchana DKP 9114
Andriessen: *De Staat*. Schoenberg Ensemble/De Leeuw. Elektra-Nonesuch 7559-79251-2

NICHOLAS Maw's *Odyssey* is exactly the kind of massive, complex orchestral score that deserves the close study a recording offers, and which so frequently fails to attract the attention of the record companies. Doubtless Simon Rattle's involvement has persuaded EMI to bite the bullet this time and they have done the piece proud, lacing together two concert performances from Birmingham Town Hall to produce a first-rate, compelling version. The recording may not be as detailed and refined as it would have been under ideal studio conditions, but the sheer sweep of the performance and the luminous intensity with which every line is invested are more than adequate compensation.

Inevitably though *Odyssey* remains problematic. A 95-minute span of orchestral music, however tightly integrated thematically, is going to have its longueurs, and a few persist despite the small cuts that have been made in the score here. The sheer length of the central intermezzo seems the main difficulty; it's the one section in which Maw's powers of melodic invention fail him. But that music constitutes only 12 minutes out of the whole edifice, and Rattle and the CBSO make everything else cohere in a way that neither the incomplete Proms performance in 1987 nor the complete version at the Festival Hall 18 months later quite managed. The slow movement, half an hour long, is *Odyssey*'s greatest glory, but the mounting tensions of the finale and its tumultuous coda offer a refashioned view of late-19th century rhetoric that is searching and unique.

Colin Matthews was briefly a pupil of Maw, but his music has gone on to subsume a much wider variety of influences. *The Great Journey* was perhaps his most ambitious and significant work of the 1980s, a setting for baritone and eight instruments of the report of the conquistador Alvar Nunez Cabeza de Vaca on his travels though the New World. Somewhere in the work's deep past is surely a memory of Henze's "diary of a runaway slave", *El Cimarrón*; nearer the surface ere echoes of Maxwell Davies's theatre pieces and chamber operas. But Matthews's methods are quieter and less flamboyant. *The Great Journey* works from the outside in as it were, as this trip though an unimagined alien land becomes a voyage of self-discovery, and the brutal repressor who set out from Spain returns misunderstood to a traitor's welcome and imprisonment.

The performance by David Wilson-Johnson as the narrator, is a masterly one, by turns impassioned and phlegmatic, and the instrumental details are etched with great eloquence by the Nash Ensemble. The remainder of the disc – *Fuga*, an instrumental version of part 3 of *The Great Journey* which serves as a reminder that Matthews is a master of the rarest art in contemporary music, the ability to write fast music, and the exquisite setting of Pessoa's sonnet *Night's Mask* – makes this the most valuable survey on record so far of Matthews's music.

The three concertos by Poul Ruders brought together by Unicorn-Kanchana at last give British listeners an introduction to one of the most distinctive of younger European voices and the most considerable Danish composer since Nielsen. There are in fact echoes of Ruders's forebear in at least one of the concertos here: the irascible clarinet in the 1985 work with "twin-orchestra" recalls Nielsen's own solo writing for the instrument, while Ruder's idea of concerto soloists as protagonists in a human drama suggested in the cello work might also be traced back to the same source.

Ruders is, though, hard to categorise. The First Violin Concerto's neo-baroque figurations might suggest affiliations with Arvo Pärt's two-violin *Tabula Rasa*, and to British ears links with Tippett's Corelli *Fantasia*, but the Clarinet and Cello Concertos inhabit a much freer post-modernist, world with links to late-romanticism and with emotional pressures of expressionist intensity. It may well be that Ruders will matamorphose eventually into a Scandinavian symphonist – his first symphony was one of the hits of the 1990 Proms – but he is never likely to be just another example of that tired genre; he will be a bugely distinctive and, one suspects, influential figure in contemporary music over the next 20 years.

For sheer, unshamed exuberance and high-intensity physical attack Louis Andriessen's *De Staat* deserves full marks and a brief, excited welcome: it represents European minimalism at its liveliest and most abrasively attractive. Though the 35-minute piece comes complete with an array of political baggage, with choral settings of sections of Plato's *Republic* embedded in the score, it operates most convincingly on a basic physical level. There is a good deal of Stravinsky's *Rite* in the rhythmic attacks and wind chording, elements of big-band jazz and be-bop too. Most of all there is the sheer delight in the sound world and the noise it can muster. Played at full volume it can do wonders for the spirits.

Andrew Clements

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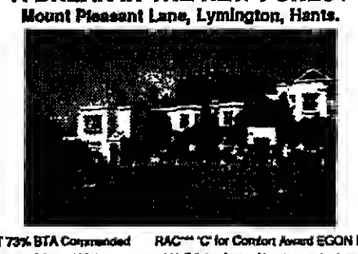

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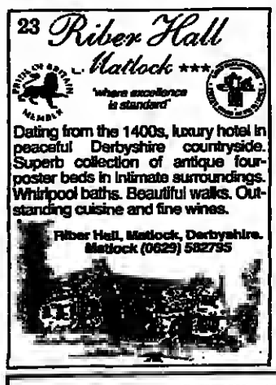

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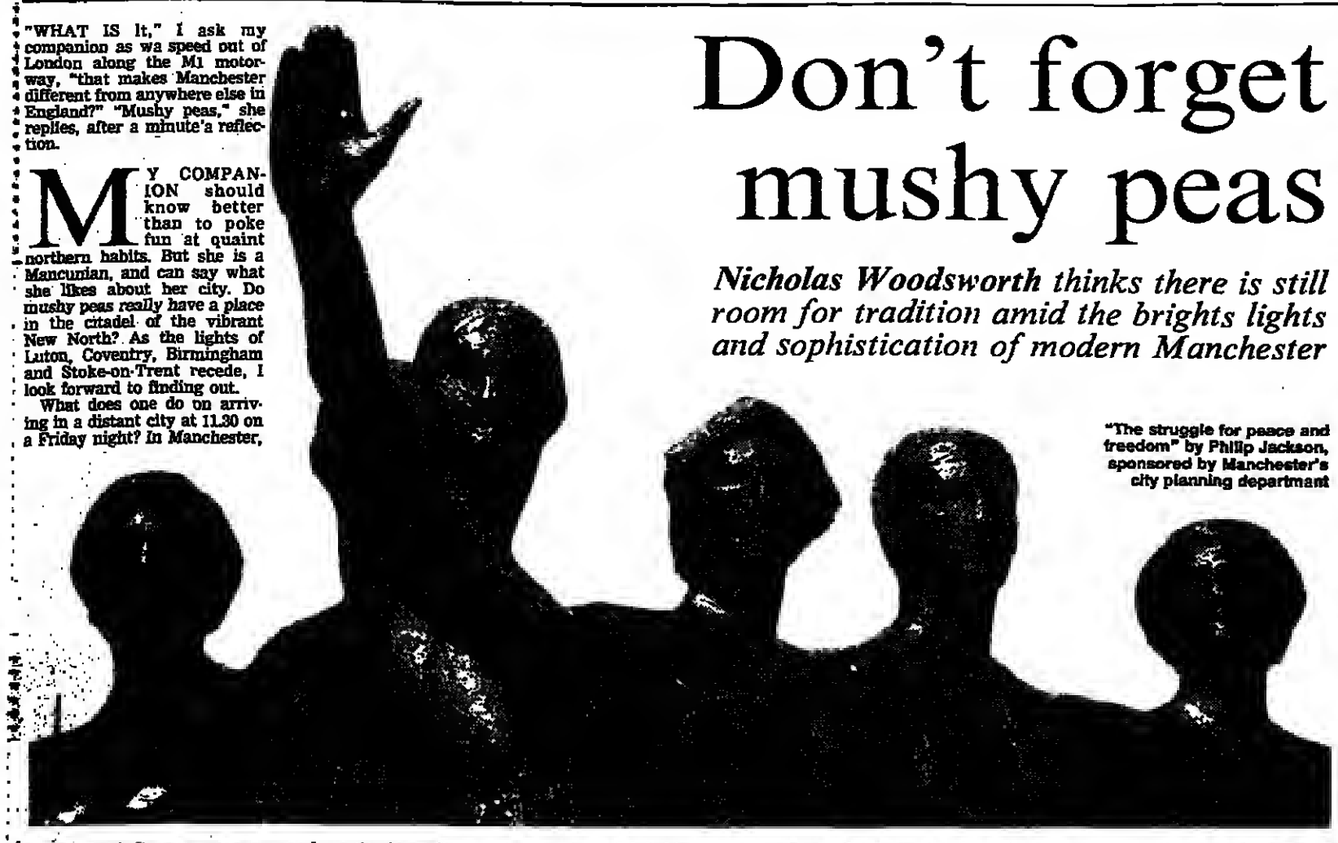
TRAVEL

Don't forget mushy peas

***Nicholas Woodsworth** thinks there is still room for tradition amid the brights lights and sophistication of modern Manchester*



"The struggle for peace and freedom" by Philip Jackson, sponsored by Manchester's city planning department

"WHAT IS it," I ask my companion as wa speed out of London along the M1 motorway, "that makes Manchester different from anywhere else in England?" "Mushy peas," she replies, after a minute'a reflection.

MY COMPANION should know better than to poke fun at quaint northern habits. But she is a Mancunian, and can say what she likes about her city. Do mushy peas *really* have a place in the citadel of the vibrant New North? As the lights of Luton, Coventry, Birmingham and Stoke-on-Trent recede, I look forward to finding out.

What does one do on arriving in a distant city at 11.30 on a Friday night? In Manchester, one goes out. It *seems* reasonable to us, for the whole town appears to be up and about. On Oxford Road patrons are leaving the cinemas and filling the chip shops, draining from the pubs and queueing outside discotheques.

Do I want maximum Manchester, my companion wants to know, or would a regular-people's-night-out place do? I am not sure I am ready for maximum Manchester, so we opt for the Discotheque Royale.

The Royale is youngish and respectable, a middle-class sort of place just down of up-market, where the bouncers are required to wear jackets and ties and be polite. Jackets and ties are mandatory for averyone, except the women, who wear white stiletto heels and suspend small evening bags from their shoulders.

Few people actnally wear this gear once they are through the door. Inside, it is about 80°F, sweaty and very loud. The men remove their jackets, roll up their sleeves and eye the dance-floor as they huy pints. The women place their bags in neat little piles on the floor and dance over them, two or three at a time, to prevent them being uicked.

But this is not a bored suburban dance hall crowd killing time on one more hlowsy Friday night. These are Mancunians and they are here to dance – there is more energy in this relatively staid discotheque than in most generating stations. The place is packed and jumping, all three ornately-tiered balconies of it.

In front of long hars on every level, customers are thirsty and three thick. On the dance floor, exuberant bodies move to a heavy base rhythm that sets the close air vibrating. At each end of the floor, on raised platforms, two frenetically dancing girls in skimpy aerobic outfits and designer trainers – the Royale's version of 1960's go-go girls – are making Jane Fonda look dull.

"What's the music?," I hellow into my companion's ear as we drink hitter and watch two men in grey suits shake and shimmy together. On my third try she hears the question. "Manchester sound," she bellows back. My ears are ringing. Manchester sound is *big*.

Manchester has been many things over the years. Hard-working, innovative, entrepreneurial, it became the third higgest port in the British empire, never letting the fact that it was 40 miles inland bother it. Here, as the guidebooks will tell you, the atom was first split, the commercial computer was first developed, and the world's first test-tube baby born. Novelist Elizabeth Gaskell called it "dear, old, dull, ugly, smokey, grey, grim Manchester." The painter L S Lowry said the same thing on canvas. To the cotton kings of the 19th century it was s pot of gold, to the industrial lumpenproletariat a well of chronic poverty.

Little is left of the world in which Manchester built its reputation. The great cotton mills and warehouses have become converted entertainment venues, the terraced houses models for sets of *Coronation Street*. What is left, however, is the energy, the sheer spirit that made Manchester one of the great power-houses of the industrial age. And while that age is gone, Manchester is once again picking np steam. Which city, against the odds, won the right to launch Britain's hid to host the Olympic games in 2000? Not London, hnt Manchester.

No stranger to economic difficulty, the city shares the problems of many other urban centres in Britain. But there is an energy here that does much to counterhalance recession and social distress. It is visible in local industry and services, in new communications networks, in urban redevelopment, in the fast-growing educational sector, in municipally-sponsored cultural initiatives.

It is most visible of all, however, in that area least susceptible to discipline or organisation of any kind – in the spontaneous culture and dynamism of young Mancunians. Knock about the streets, clubs, and pubs of Manchester for a weekend, doing the ordinary things that young people do, and you cannot fail to see it.

My companion has not returned to Manchester from London for a few months, and wants to see how northern fashion is getting on. The fashions that evolve on the streets of Manchester, she tells ma, end up in the boutiques of London. So off we marched through Saturday morning crowds across Piccadilly square to *Affleck's Palace*, once a Victorian warehouse – now an alternative fashion centre selling streetwise style.

"Watch for the flared trousers, hooded tops and wallabies," my companion tells me. Such are the things, apparently, that cut Ice in Manchester. But styles change fast. To my companion's discomfort, we find not the slightest sign of flares or hooded tops. Floral shirts and bright prints seem to be the hot items. We settle instead for a T-shirt that said: "And on the sixth day God created MANchester."

■ ■ ■

We Walk. In the centre of town we see styles, not sartorial but architectural, that have not changed since bourgeois prosperity and civic pride adopted them 100 years ago.

Tha huildings are magisterial. Manchester, proclaims the Free Trade Hall, the Albert memorial, the neo-gothic town hall, the cathedral, the elaborate hrick and wrought-iron facades of King Street, is a substantial place. In the Royal Exchange, built in 1874 as the cotton market's trading floor and a supreme piece of Victorian self-confidence, we gaze up at the old exchange quotation board, still showing prices on the last day of trading. The exchange, like the empire, did not last forever; it ground to a halt in the 1930s.

We walk further. Manchester's post-imperial ride has not been a smooth one. In Shambles Square, on Market Street, around Piccadilly, there are some atrocious huildings. They went up in the 1960s, at about the same time as the Berlin Wall, and might as well have been designed for the wrong side of it. But acres of Victorian brick – factories, mills, warehouses – once abandoned and the aymbol of decay, now win the day in this city. Urban planners have kept the industrial architecture of the past and are putting it to pleasing use. Docklands-type renovation will make this a truly remarkable city one day.

■ ■ ■

My companion's feet begin to complain, so in the afternoon we drive around areas outside the city centre. They do not have to wait for the future; for one reason or another they are remarkable just as they are.

In Moss Side we cruise hy towers and honsing developments where drug wars and organised crime are the order of the day, every day. In Trafford Park, by the Manchester ship canal, we drive through one of the largest industrial parks in Europe. At Salford Quays, which is decked out with new gas lamp-posts and antique residences huilt yesterday, we see hright suhurhia bloom where all that Lowry saw was dark and satanic. Around Maine Road, home of Manchester City football team, we drive through working class precincts that still look like Coronation Street. And in Rusholme, the heart of Asian Manchester, we eat a curry that makes me think Empire was not such a bad thing after all.

That evening we went to the Hacienda, the city's *bête noir* hut maximum Manchester nonetheless. I think people rave most of the time anyway, but if the dancing, communal identification and general exuberance that has in Manchester come to be known as raving needs a venue, this one at least is legal.

What do you say to the prospect of 600-700 people dancing frantically on the shop floor of an old factory – in groups, in couples, with the same sex, with the opposite, hy themselves or in any other variation hut dancing for three of four hours without the slightest hreak?

I say I am getting old. Either that, or they are on something I am not. At any rate f find the whole thing a little too much. So much too much, in fact, that f find it tiresome and in the small hours begin to yearn for something more interesting, like mushy peas.

In the Station Chippie, a type of establishment as proudly Mancunian and longer-lived than the Hacienda, we are served little cardhoard containers of chips and mushy peas, and eat them with miniature wooden forks on the street outside. Mushy peas are good. If there is room for youthful energy, innovation and enterprise in the New North, there is room for mushy peas as well. My companion, in fact, was not far wrong.

Travel Information

Rail Fares: From London Euston to Manchester: £77 second-class return (no restrictions); £31 Supersavar return (restrictions; not Friday or Saturday, not halore 9am and not between 4.30pm-6pm).

Air Fares: British Airways (London tel: 081-897-4000) has a Heathrow-Manchester Saver lare of £45 raturn (valid until October 26; must includa Saturday night stopovar), an APEX fare of £85 return (booking 14 days in advance), and a full economy return lor £162. Dan Air (tel: 0345-100200) charges £50 for an off-peak return, £81 APEX return and £160 full economy, from Gatwick to Manchester.

Travel News

THE WORST year for the hotel industry is continuing for some – hotel bankruptcies are still increasing – while others report that recovery is seemingly underway.

The 60-room Lygon Arms hotel in Broadway, Worcestershire, for example, is one of a number of provincial country house hotels which says that business is better than expected.

Kirk Ritchie, managing director of the Lygon, says hookings in August were better than the year before.

It is clear that well-run, established country hotels are surviving the recession much better than those which were set up on the wave of the 1980s consumer hoom. Bob Payton's Stapleford Park hotel, for example, is a prime example of this genre: in 1989 it won the *Good Hotel Guide's* award for the most exciting newcomer with its over-the-top decor. Now the hotet is up for sale.

This year's guide, edited by Hilary Ruhenstein and published this week, has no similar award, although the Old Rectory in Campsea Ashe, Suffolk, wins an accolade "for utterly acceptable mild eccentricity."

Ruhenstein's guide is in direct competition with the Consumers' Association's *Which? Hotel Guide*, also published this week, and first launched last year after Ruhenstein and the association fell out.

Both are reluctant to name their *best* hotel of all. The *Which? Hotel Guide* relies on picking one hotel – "that had particularly caught our eye" – from most (but not all) counties in England, Scotland and Wales as well as the Channel Islands. Durrants hotel in George Street, London, for example is singled out as the top capital hotel – ahead of the Savoy and Connaught.

The *Good Hotel Guide* has a comprehensive list of 'special' hotels for readers hut also awards several Cesars (after celebrated hotelier Cesar Ritz). Country house hotel of the year in this category is Knockinaam Lodge, in Portpatrick, Scotland.

Good Hotel Guide 1992, edited by Hilary Rubenstein, Macmillan, £13.99.
Which? Hotel Guide 1992, Consumers' Association and Hodder & Stoughton, £12.95.

David Churchill

Taking time to specialise

***David Churchill** on the way tour operators are responding to changes in demand*

WHEN THOMSON Holidays earlier this month launched its 17 new holiday brochures for next year it drew attention to the way demand for holidays has changed: some six out of every ten Thomson holidays on sale next year will he specialist, long-haul or city hreak holidays, far removed from the traditional sun-and-sand deals to Mediterranean resorts which have formed the hulk of Thomson's package operations.

Two weeks in Cuba starting at around £500 per person is the sort of deal Thomson is offering – which is opening up the world to Britons weaned on Mediterranean packages hut now looking for something very different.

The inclusion of Cuba in the Thomson brochures reflects hust how far the long-haul specialist markct has changed. Cuba's growing popularity – perhaps because it is an anachronism at a time when Communist-run states are unfashionable – would normally only have attracted specialist tour companies (and indeed has in several hrochures just published). Thomson's decision to sell holidays there emphasises that snch places have now come into the mainstream.

While short-haul holidays form the hackhone of the travel trade, it is the specialist, often long-haul sector, where growth and higher profit margins are to be found.

Not surprisingly, tour operators are targetting their deals at the more affluent middle-aged market (with savings, low mortgages, and children leaving home) who have considerable travel expertise and are increasingly looking for new experiences from their travel.

These well-heeled travellers, less affected hy the recession, have shrugged off their fear of flying caused hy the Gulf War. Its feared impact on international travel – a terrorist reprisal or anti-western backlash in some countries – has not materialised.

What clearly has also helped the market recover has been operators' determination to widen the scope of holidays on offer as well as keep prices well in line with inflation.

Kuoni, for example, has identified ten "best buys" in its 1992 world-wide hrochure – holidays which offer value for money in popular destinations suited to travellers who are new to the long-haul market. A Nile cruise and trip to Luxor is typical of these target offers, costing between £475 and £936 depending on the itinerary and time of the year.

Kuoni has also increased its capacity to the Caribhean and Kenya and added new destinations such as Argentina, Comores, Goa and Cuba. But Thailand and other Far East destinations such as Hong Kong, Singapore and Bali

are still Kuoni's main attractions, with most travellers opting for itineraries which comhine two or more countries in the region.

Long-haul travellers with British Airways's Speedhird programme may be forgiven by being confused by the name changea the airline's holiday operations have undergone. Speedhird is now being incorporated under the new BA Holidays Worldwide hrand and may disappear as a separate hrand name next year, although no final decision has been taken.

BA's helief is that its holidays husiness should he clearly defined. This leaves little room for either of its two main hrands. But with the unexpected departure last week of Liam Strong, BA's marketing director, all that could change again next year.

Nonetheless, BA's new worldwide hrochure has added 50,000 more holidays for next year, 15 per cent more than this year. BA, unlike most other long-haul operators, has guaranteed all its holiday prices against any surcharges.

It helieves that Egypt will recover fully next year from the after-effects of the Gulf war and to help stimulate demand has introduced charter flights into Luxor, enahling a £142 price reduction – to £418 – over this year's prices for a week's holiday including a four-night cruise on the Nile.

Specialist operator Ahercromhie & Kent is marking its 30th anniversary next year with ten new destinations in its worldwide brochure. Uganda is back after 15 years, because of its more stahle political environment, with Laos, Camhodia, Vietnam, Tihet, and Chile new to the brochure.

A series of escorted group tours to 13 destinations, including the "silk road" from China to Pakistan, has been added.

What A & K has found this year is that many regular travellers are looking for more activity holidays away from the well-trodden tourist paths. Next month it is bringing out a specialist walking holiday hrochure featuring off-the-beaten track trekking in Kenya, the Atlas Mountains, and Andalucia.

While South Africa is already showing signs of becoming one of the *top-selling* long-haul destinations of the 1990s, in the shorter-term the US is likely to be the area of most growth for experienced travellers willing to organise their own itineraries.

This is due to the growing price competition hetween North Atlantic airlines which is making a trip to America a hargain over the next six months, helped hy BA's decision to officially sell unsold seats through hncket shops at discounted prices. Around £270 for a return flight to New York will be available, space permitting, through all High Street travel agents from next month.

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A Donizetti Favorite

Max Loppert applauds the revival of an original French 'grand opéra' in Paris

ON PAPER, the 1991-92 Paris opera season promises extraordinary riches. Four theatres have launched their programmes: the Bastille, Châtelet, Champs-Elysées and – most valuable of all, with its unique capacity for putting on both small- and medium-size operas – Opéra-Comique are all in action.

A wider variety of works is being offered than in any other city in the world; on four evenings of one September week one could successively catch two Mozarts (*Idomeneo* and *Figaro*) at the Bastille, Berg's *Lulu* at the Châtelet, and Donizetti's *La Favorite* at the Opéra-Comique. This is just one example of the possibilities that spread out before the Paris public this season, and there will be many others like it.

Whether quality is keeping step with quantity in Paris is, on the other hand, a decidedly moot point. Only the Bastille has its own stable orchestra (if that is the *mot juste* for such a notoriously unruly band); and the redevelopment and promotion of French singers – who up to the mid-1960s were still to be found in starring roles in this city – is a duty being left largely to the provinces.

Alone among the four theatre managements, the Opéra-Comique earnestly strives to revive (among other things) neglected treasures from the French operatic trove: the season starts, boldly, with the return of a once-famous French-language Donizetti opera (1840) in its original form. Yet it is worrying that in neither of the two casts assembled for alternative performances is there a single francophone principal.

There is really no such thing as (in the old sense) a Paris opera *company* at all: warehouse or emporium would be more accurate term of description. As so often in the musical history of this city, a chaotic confusion of artistic aims and motives, relieved by (sometimes brilliantly successful) short-term planning stratagems, seems to me the current order of the day.

It was a splendid idea, though, to revive the second opera Donizetti wrote for Paris – and only the strictest purists will make any capital out of the fact that he did so for the large stage of the Opéra, not the smaller one of the Opéra-Comique. *La Favorite*, which until 1918 was regularly played there, thereafter kept its tenuous hold on world popularity in its Italian translation; but, as every Donizettian knows who has ever compared the two versions even briefly, *La favorita* is a ghastly botch-up of *La Favorite*.

The original French *grand opéra* explores the struggle between sacred and profane love undergone by the central figure Fernando (tenor) – first novice, later warrior – in the service of the Castillian king Alfonso XI (baritone) and in his unwitting courtship of the king's unhappy mistress Leonora de Guzman (mezzo). It counts among the most elevated of all the composer's achievements – and musically, indeed, among his most consistently inspired scores (and this in spite of the fact that much of its music was redeployed from earlier Donizetti operas either unperformed or unfinished). The forms are large in scale, the orchestration is rich, and the vocal writing, bar a few rum-ti-tum strettas, is severely simplified, achieving in solo and duet a spacious "Verdian" cantilena. From the final two acts of *La Favorite* to the Verdi of *Forza* and *Don Carlos* is the smallest of steps.

But Italian censorship in the mid-19th-century, which turned a particularly rigorous gaze on religion and historical personages in opera, reduced much of the Italian translation to narrative nonsense; and it is this nonsense, given as *La favorita* by singers and opera-houses too lazy to undertake even the most basic corrections of garbled plot detail, that has kept its toehold on the repertory. People who know the work only from the most famous arias – the mezzo's "O mio Fernando", the tenor's "Spirto gentil" – would surely be amazed to discover how fine the whole work can be in its original form.

This was the point that the Opéra-Comique management set out to prove, and in spite of obvious weaknesses in the performance they did so with room to spare. The production by San Bartolomé, first shown at the summer festival at Vichy, had the advantage of handsome set and ravishing costume designs by Patrick Terottin combining the worlds of medieval Arab paintings and the *Très Riche Heures*: brilliant colours (turquoise, aquamarine, crimson, rust, emerald and chestnut), strong lines, a pictorial boldness that, in an opera graced with Iberian musical accents, sounded exactly the right exotic note.

This visual high style was not answered by the staging as a whole, which found place for one or two Gallicky fancy ideas (Alfonso's neglected queen mopes silently in the background) and others that were simply ill-executed. The playing of Concerts Colonne orchestra under Arturo Tamayo was rough; and the French language, though surprisingly well uttered by the principals – American Leonora, Welsh Alfonso, Filipino Fernando – was generally less than beautifully sung.

The pure tone and poised bel canto line required by *grand opéra* were remotest from Noel Velasco's raw Fernando, least far from Jason Howard's Alfonso (he was the favourite of the Paris audience). The Leonora of that fine artist Katherine Ciesinski came somewhere in the middle: musically sophisticated, vocally clouded and effortful. These and other vagaries notwithstanding, the case for the original *Favorite* was made: now it's up to the big companies to profit from the experience.

Jason Howard and Katherine Ciesinski as Alfonso and Leonora in 'La Favorite'

Opera top jobs filled

THE vacancies for the top jobs in British opera have now been filled. This past week Nicholas Payne from Opera North has been appointed opera director at Covent Garden, Dennis Marks from BBC television as general director of English National Opera, and Richard Jarman from English National Ballet as managing director of Scottish Opera.

If to this one adds the appointment a few weeks ago of Matthew Epstein (currently Vice President and Special Consultant of the powerful American agents' firm Columbia Artists Management) as general director of Welsh National Opera, the new look of the main companies begins to be established for the 1990s.

Among opera insiders there will be greatest rejoicing that Payne has been secured for one of the London posts. Previous jobs at Covent Garden, the Arts Council and the Welsh National (where he was Financial Controller) led to ten years at Opera North.

Here, a tough sense of economic realism and an informed passion for the medium combined to make his the most consistently impressive artistic leadership of any in the land. At Covent Garden, with all its agonies of re-development and perpetual underfunding, his particular expertise should provide a huge boost to both house management and morale.

The ENO appointment of Dennis Marks is a bold stroke. Marks's artistic experience has been gained very largely in television – in recent years he has masterminded such opera activities as the broadcasting of the New York Met's *Ring* and the studio productions of contemporary operas such as Turnage's *Greek* and Tippett's *New Year*.

The problems confronting the ENO, not least the all-too-possible loss of the Coliseum when the lease runs out, are if anything more uncomfortable than those hovering over Bow Street: Marks's arrival from television – like that of Jeremy Isaacs in 1987 – is presumably intended to throw up new ways of solving them.

All the opera companies are faced with labours of Herculean proportions, perhaps none more than Scottish Opera. Richard Jarman comes to a company demoralised by the unceremonious departure of Richard Mantle in the wake of disagreements over balance-sheet imbalances.

The most operatically "established" of the new men other than Payne is the American Epstein, who comes to the Welsh company with an enviable reputation for divining and nurturing new singing talent; but his stated intention to continue in his Columbia Artists post while running an opera company raises all sorts of prickly ethical questions that no-one at WNO has yet dealt with at all satisfactorily.

Max Loppert

Natural talent buried in hype

IN BRINGING *Three Worlds* to London from America, the Royal Academy does us a true favour. It is a retrospective of the work of the Italian painter, Francesco Clemente, small but comprehensive enough to fill the Academy's new Sackler Galleries (until October 27), its premise the three worlds of the artist's career to date: Italy in the 1970s, then India and, since 1982, New York.

Not yet 40, he is one of the stars of the *transavanguardia*, that constellation of bright young Italian figurative expressionists which swam into our ken some ten years ago. Clemente's work has been shown in London, but only in comparatively small doses in mixed exhibitions. The present favour gives us a chance to take its measure.

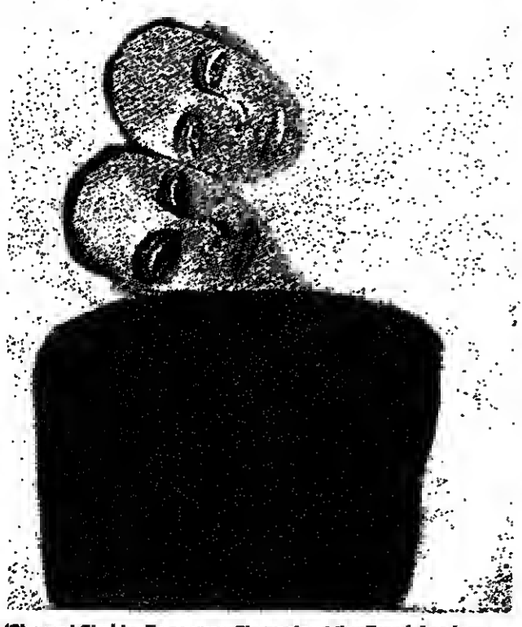
The truth is that he is both less impressive than his hagiographers would have him, and more interesting than any crudely reactive prejudice might expect. His natural graphic talent and visual wit are clear enough, especially in the earlier work but, in terms both of technique and imagery, yet again it is the old story of wishes and horses, of the proposition being taken for its realisation. There is no advance or development, no worthy struggle, but only elegant, sometimes not so elegant variation.

It is all very well for the catalogue to present its hero as the modern universal man – mystic, philosopher, artist, poet – but the claim rests where it is made, on the page, critical pretension rather than persuasion.

Clemente has a quirky way of drawing, at times close in feeling to early Freud though with none of that feverish intensity, and some of the self-portraits have a certain charm. The vivid and rapid water-colours are decorative enough, but again he is no Nolde or Ensor. His paint is thin, his drawing often weak and slack, his modelling non-existent, his images too often left off incomplete.

He has evidently been persuaded that the justification of the work, any work, lies not in the fabric and the making of the thing, in the way it is painted and drawn, in what it is, but in the image it carries. It is not that Clemente cannot do it, and the series of Indian miniature pastiches suggest an underlying technical curiosity and understanding, but only that he thinks it either unnecessary or unimportant to sustain the work at this practical level.

"In an increasingly despiritualized world, Clemente's meditations reanimate existence itself through the renewal of vision and therefore the constant renewal of the mind ... (his) visual meanderings comprise a cosmology, an organic and open-ended system, complete unto itself and capable of embodying all of the elements of the physical and psychic world." Such vaunting nonsense does him no favour at all.



'She and She' by Francesco Clemente at the Royal Academy

★

Ken Currie (Raab Millbank, 6 Vauxhall Bridge Road SW1 & Riverside Studios, Crisp Road W6: until October 11) is one of another group shot to prominence in the 1980s, the new Glasgow School. He is a fine draughtsman, with an ability to compose and organise the figure on the grand scale all but unique in his generation. But he too shares something of the Clemente problem, albeit in reverse, in that so heavy is the specific polemical burden of his imagery that we can barely get through it to the work as such.

He alone would carry the horrors of the modern world, with every enormity of abuse and degradation, physical, political and domestic alike, heaped high together in his paintings. And yet without irony and detachment and a certain ambiguity, there is left little room for us to approach his work in our own way, in the light of our own experience. Who would not agree with him? We know the world is savage, unfair, corrupt. But for Currie to bludgeon us into that agreement is almost to suppose that without his prompting, we would have never known as much.

William Packer

Radio

All concerned about war

THE APPARENTLY warlike strain that showed this week proved not to be warlike at all. (War was kept for the news bulletins.) The first of Radio 4's *Conversations with Historians* (Saturday, repeated from last week) gave us Sir Michael Howard talking with John Miller. Sir Michael is the master military historian of our time, but he is not warlike. War is about killing people and ordering the killing of other people, he reminded us, but the study of war does not promote war. History helps create morality. It has seen off slavery, the burning of heretics, Nazism; today's concern for other races, for women, for deviants, is the result of historical processes.

In the interval of the LPO concert on Radio 3 on Thursday, Daniel Pick gave a paper on *The War Machine*. The ethos of precision in war, he argued, was a catalyst of madness (but the writers he quoted had none of them been directly involved in war). In Butler's *Erewhon* even the precision of a watch could cause paranoia. Romain Rolland's fantasy of thinking weapons, *The Revolt of the Machines*, had tanks that changed sides on their own. The robots in Cepek's *RUR* were fitted with a "pain nerve" to reduce their passion. Ruskin actually thought the Franco-Prussian war had changed the climate. Pick's conclusion was like Howard's, that the study of war may help prevent it.

The one really warlike voice was the American, Paul Fussell, in his interview with (Radio 3's *Third Ear*, Tuesday). Fussell was particularly concerned with irony, defined by Philip Roth as "moral feeling so strong that it can find no outlet but in ridicule". Fussell is still much concerned with war; one of his books is *Thank God for the Atom Bomb*, his genuine, but disguised, thanks for not having had to fight the Japanese forces in 1945. Like Howard, he had close experience of war, which Butler, Rolland, Capek, Ruskin did not. Consequently he writes far more sensibly about it.

Derek Cooper and the enchanting *Food Programme* (Radio 4, Friday) have spent a couple of weeks in Ireland. Among the things we've learned are that there is no real Irish national cuisine, not even Irish stew; that the Irish are so given to serving huge portions that they often tend to translate "no" as "yes"; and that Guinness, or anyway the porter from which it is derived, was originally invented by accident in London. And talking about food prompts me to say that among the lightweight guessing programmes, *Eat, Drink and Be Silly* (Radio 4FM, Monday) is silly beyond the acceptable average, and clever people like Clement Freud and Julian Critchley shouldn't be so silly as to be involved in it.

The Tuesday play on Radio 3 was interesting, not for any special merit but for its near-absence of any. Sue Lemer's *A Fool and his Heart* was basically a simple tale. Geoffrey, a middle-aged man with a severe heart condition is told to stay at home instead of working, and finds that his wife Wendy has another man, Chris, though so far only for shopping together. Suspicious Geoffrey goes shopping with them, picks a fight with Chris and has a heart attack. Rushed home by ambulance, he lies in bed while in the same bed Chris tries to seduce Wendy.

Less basic than that is Geoffrey's heart, with a voice of its own. It reveals its own jealousy, of Geoffrey's adherence to his feelings when they might lead to his heart's collapse. Apparently they do, for after he witnesses the impotent sex between Chris and Wendy, we end on a run of heartbeats, leading, no doubt, to a fadeout. As inept as the plot are the drivelling scenes along the way. Why did we hear Timmy playing at robots if he had no function? Did Chris have the frozen peas in his trouser pocket for any reason beyond the schoolboy jokes? The author has twice won Fringe awards at Edinburgh, but she writes as if she were about 16. Alison Hindell, the director, could make nothing of it.

B.A. Young

Hippy Aristophanes

MAKE LOVE not war; flower power; women's lib: the 1960s inspiration behind Torsten Fischer's *Lysistrata* at the Schauspielhaus, Cologne is so brilliantly and obviously apt that you wonder no one had thought of it before. Aristophanes' comedy of a housewife who organises a female boycott on sex until the Athenian wars are stopped takes place amid 1960s sit-ins, marches, demos. With Cologne Schauspiel, now legendary for high-tech staging and stylised crowd choreography, the work is a slick and perfectly realised parable for our times. Peace, equal rights, the end of the old ideologies, the fighting in Yugoslavia: pick any issue where mass political will changes lives and this production strikes home.

At Cologne, interpretation begins with theatricality and with this company's sustained rethinking of the stage as a vertical rather than a horizontal space and of the auditorium – stalls, aisles, balcony – as its extension. For *Lysistrata*, Herbert Shafer erects a huge yellow ramp from the pit to the roof of the stage; from the back of the auditorium, leaping the central three seats in each row and into a trapdoor in the ramp, runs a metallic blue catwalk. A piano with luminous pink sheet music floats to the top of the ramp, joined by a female jazz band: singers loll over the catwalk.

Music equals political rhetoric. Lysistrata's meeting flops until she sings; then lights dim, stars come up on the blue backcloth, women old and young, in suits, jeans, overalls, pop up from the stalls, from every door, from the pit. A live sheep emerged from a seat near me and its peasant owner scrambled to reach the march; the comic Spartan women – often heavily accented Scots in British versions – are butch drum majorettes, short-haired and thick-set. All crawl on to the catwalk, bellowing out belief as they join the tunes.

Radicals triumph; the old guard – out-dated magistrates and bankers, puffing, top-hatted and stumbling on walking sticks – are polished off; women occupy the ramp/Acropolis/Deutsche Bank. Tempted back to sex – one woman escapes via a red heart-shaped trap in the ramp – the music recalls them. In a moving, passionate plea Lysistrata restates her message in Thomas Hurlmann's sarcastic-sentimental lyrics; a moon rises, one by one the women step back inside. In a theatre steeped in Brechtian tradition, echoes of Weill's jazzy idealism are unmistakeable.

Out of the chorus fights, which send men slithering down the ramp and women dancing after them on ropes, come uniformly fine individual; performances. Traute Hoess's Lysistrata is a powerful portrayal of an ordinary women moved to political action and gaining confidence, vision and know-how as she goes; Therese Durrenberger as her neighbour Calonice develops from a Chanel-suited Vogue-reading flirt who sees the catwalk as a fashion forum into a breathless and dishevelled radical. In a recent Cologne *Threepenny Opera* these actresses were paired as Jenny and Polly; here they sing, dance and act with the same energetic conviction. Among the men, Herbert Knaup as the sex-starved husband venturing to retrieve his wife gives one of the most raucously funny and sexy comic performances I remember in the theatre. He leads a chorus of large-limbed, padded-shouldered American baseball husbands, each in colour-toned helmet, sweatshirt and trainers, all with great rods jutting suggestively out of their tracksuits, who eventually succumb to peace rather than endure celibacy. This is an exhilarating version of the play: 90 minutes of sheer theatrical delight and a magnificent opening to the new season.

Jackie Wullschlager

British success at Prix Italia

WITH ALL the television prizes at the Prix Italia now known, Britain emerges once again as the most successful competitor. Of eight prizes British programme makers have taken five. This morning when the results for drama, the final category, were announced, the Prix Italia itself went to France for a period piece called *The Rituals* which translates as "The Wops", the subject being the difficulties of Italian immigrant workers in Paris in the 1930s. The Special Prize, however, which, like the Italia itself, is worth 15m lire, about £7,000, was awarded to the BBC entry, *Oranges Are Not The Only Fruit*.

Even if you disregard this year's "special category" (which seems reasonable since it was for programme credits and title sequences, where both prizes went to Britain), you still find British programme makers ahead with one Prix Italia for the arts category (won by the BBC with *From Moscow To Pietushki*) and special prizes for both the arts (*A TV Dante* from Channel 4) and drama.

Christopher Dunkley

Chess No 890:
White retracts K(g6)xR(h5). Black takes back R(h8)xQ(h5). This leaves WK at g6, Q at h5; BK at e8, R at h8. Black now castles, and White mates by Qh7.

Quixote revived

NORTHERN Ballet Theatre first staged *Don Quixote* three years ago. The production's title, *The Amazing Adventures of Don Quixote*, indicated that this was something rather different from the old classical farrago with the name of the Don a peg on which to hang a madcap assembly of dances. Christopher Gable, as producer, sought to make the Knight a central presence, turning to Cervantes for incidents that might be added on to Minkus' merry score and the accepted Petipa/Gorsky choreography.

Tim Goodchild provided handsome design – a notably good first set of monochrome shutters and windmills – and the stage action looked no sillier than in more conventional stagings. The choreography, though, left much to be desired. Now Gable, NBT's director, has revived the staging and brought in the French ballet-master Michel Rahn to re-work the dances. The result, as I saw on Thursday night at the Grand Theatre, Wolverhampton, is markedly successful.

This is still a different *Don Quixote*. The love-story of Kitri and Basilio, customarily the thread running through the entire action, is now confined to the first scene. The second act moves from gypsy camp to vision scene without the usual jousting with windmills, and the dryad visions are partnered by the Knight as his younger self, enraptured by these ideals of beauty. The third act, the weakest and most inconsequential in the production, proposes a bizarre intrigue with bearded odalisques, a Duchess, and a final confrontation with a mirrored Knight in whose reflecting shield Don Quixote sees the reality of his addled old age. The grand pas de deux falls to a matador and his lady who are apparently an up-market cabaret turn.

But no-one ever went to see *Don Quixote* for logic. A production stands or falls on the vitality of its dances, and on a stellar presence to give heart to some of Petipa's most brilliant inventions. NBT may not yet call upon a Plisetskaya or a Maximova to flame in glory as Kitri, but I was most happy to see Vinciane Ghyssens in the role. With her *racée* physique and witty appreciation of the choreography, she makes a delightful figure of the girl, well supported by a devoted and sparky Basilio from William Walker.

The surrounding villagers dashed over the stage as to the manner born: throughout the evening I was impressed by the rounded, unsparing performances that Gable has encouraged from his artists. They work happily as an ensemble, and the staging gains enormously thereby. So it does from the readings of Paul Lewis and Jeremy Kerridge as Quixots and Sancho Panza: given with dignity, and not a little humour, these are excellent portraits. For the grand pas of the last act, Lorena Vidal and Palo Savoye, albeit not ideally matched in physique, provided the bravura steps expected of them.

Michel Rahn's version of the traditional text, and his interpolated dances, are well-crafted, and benefit from the company's verve. A particular pleasure of the evening was owed to the musical standards. Brian Fieldhouse has made a sensitive and stylish adaptation of Minkus (with an added Glazunov adagio for the vision scene) that sits featly upon NBT's orchestra. The musicians, under Francis Rainey, play it with considerable finesse: many other ballet performances in Britain would benefit from such care and respect for score and execution.

Clement Crisp

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Aspects of Love
Tube: Piccadilly Circ. Prices: £17.50-£27.50 T 0836.430937

QUEENS, Shaftesbury Avenue. Tel 071.494.5040
Waiting For Godot
Tube: Piccadilly Circ. Prices: £8.50-£18.50 T 0836.430938

ROYAL COURT, Sloane Square. Tel 071.730.1745/2554
Three Birds Alighting on a Field
Tube: Sloane Square Prices: £5-£15 T 0836.430939

ROYAL OPERA HOUSE, Covent Gdn. Tel 071.240.1066
Royal Opera: SIEGFRIED
ROCKARDO
DARKHERN GOLD
Tube: Covent Garden T 0836.430911

ROYAL SHAKESPEARE CO. Tel 071.638.8891
Barbican: A WOMAN OF NO IMPORTANCE
RICHARD III
Prices: £6.50-£19 T 0836 430906
Pit: THE PRETENDERS
CHESS OF THE STARVING CLASS
Prices: £12.50, £10.50 T 0836.430907 Tube: Barbican

SADLER'S WELLS, Rosebery Ave. Tel 071.278.8916
Compagnie Philippe Conty: DRIFTINGS
Until Oct 5 Tube: Angel Prices: £5-£18.50

ST MARTIN'S, West Street. Tel 071.836.1443
The Mousetrap
Tube: Leicester Square Prices: £6-£16 T 0836.430943

SHAFTESBURY, Shaftesbury Ave Tel 071.379.5399
Our Town
Tube: Tottenham Court Rd Prices: £6.50-£19 T 0836 430947

STRAND, Aldwych. Tel 071.240.8200
The Revengers' Comedies From October 3
Tube: Covent Garden Prices £10-£20 T 0836.430945

VAUDEVILLE, The Strand. Tel 071.836.9987
A Swell Party
Tube: Charing Cross Prices: £12.50-£19.50 T 0836.430946

VICTORIA PALACE, Victoria Street. Tel 071.834.1317
Buddy
Tube: Victoria Prices: £7-£19 T 0836 430947

WHITEHALL, Whitehall. Tel 071.867.1119
A Tribute to the Blues Brothers
Tube: Charing Cross Prices: £9.50-£17.50 T 0836.430949

WYNDHAM'S, Charing Cross Rd. Tel 071.867.1116
The Philanthropist Until October 5
Tube: Leicester Square Prices: £8-£18 T 0836 430950

WYNDHAM'S, Charing Cross Rd. Tel 071.867.1116
The Ride Down Mt. Morgan From Oct 17
Tube: Leicester Square Prices: £5-£20 T 0836 430950

Telephone nos in brackets: Fee will be charged when making a credit card telephone booking

Theatreline
Call the 0836 Theatreline numbers in this guide for more information and daily seats availability. Calls cost 34p off-peak or 45p at all other times from anywhere in the UK.
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هكذا من الأصل

TELEVISION

SATURDAY

BBC1

7.25 News. 7.30 Ovide. 7.40 Opposites Attract. 7.50 The Jetsons. 8.10 Chucklevision. 8.35 Dungeons and Dragons. 9.00 Going Live!

12.12 Weather.
12.15 Grandstand introduced by Bob Wilson. Including 12.20 Golf: Second day of The Ryder Cup from Kiawah Island. 12.50 News. 12.55 Golf: Continued coverage of The Ryder Cup (Further coverage on BBC2 at 3.25) and Racing: The Festival of British Racing from Ascot, featuring at 1.30 The Tap and Spile Stakes, 2.05 The Royal Lodge William Hill Two-Year-Old Stakes, 2.50 The Queen Elizabeth II Stakes, 3.25 The Brant Welkar Fillies Mile Two-Year-Old Stakes. 3.45 Football Half-Times. Racing from Ascot continues with 4.00 The Krug Trophy, and 4.35 The Diadem Stakes. 4.40 Final Score. Times may vary.
5.00 News.
5.10 Regional News and Sport.
5.15 One to Win.
5.45 Only Fools and Horses.
6.15 Bruce Forsyth's Generation Game.
7.15 Challenge Anneka. This time, Anneka has to organise a 60-second promo-video for the British Paralympic Association — and she'll need athletes, a production company, an advertising agency, a sports stadium and music!
8.05 Birds of a Feather. The sisters are skint. Sharon perseveres with her mundane job at a bakery, but Tracey's confidence hits a low when she realises that she has never had a proper job.
8.35 The House of Eliott. The sisters' dismissal from Duroque's has left them out of work, but photographer Jack Maddox encourages them to set up in business on their own.
9.30 News and Sport; Weather.
9.50 Saturday Night Clive. The Antipodean wordsmith casts his eye over the world's small screens.
10.35 Film: Cold Sweat. An American charter-boat captain is forced to run drugs by a sinister crime baron. Based on the novel Ride the Nightmare, by Richard Matheson. Starring Liv Ullmann, Charles Bronson, James Mason and Jill Ireland (1971).
12.05 Film: Taste the Blood of Dracula starring Christopher Lee, Geoffrey Keen and Ralph Bates (1970).
1.35 Weather.
1.40 Close.

BBC2

6.50 Open University.

2.45 Mahabharat. (English subtitles).

3.25 Golf: The Ryder Cup. Live coverage of this afternoon's four-ball matches between the USA and Europe from Kiawah Island, South Carolina, again involving eight players from each team. Introduced by Steve Rider.

5.25 Japanese Language and People. A day in the life of Jun Sakai, a young marketing executive, and his sister Hiroko, an 'office lady' with Tokyo Gas. Plus a profile of celebrity entrepreneur Hiroko Minami, one of the few Japanese women to make it big in the man's world of business.

5.55 Late Again. Highlights of The Late Show, the arts and media magazine.

6.50 News and Sport; Weather.

7.05 The Huw Wheldon Lecture. The Editorial Imperative. Huw Wheldon was the founding editor and presenter of Monitor, the BBC's first television arts magazine. In this year's lecture to the Royal Television Society, Humphrey Burton, who worked closely with Wheldon, gives a first-hand account of the achievements of Monitor. Burton, Ken Russell, Melvyn Bragg and John Schlesinger cut their teeth under Wheldon's editorship and his watchword, that the series should chronicle current artistic excellence, is thrown down afresh by Burton as a challenge to producers of today's music and arts TV.

8.05 Golf: The Ryder Cup. Live coverage continues from Kiawah Island.

11.00 Film: Tokyo Story. An elderly couple travel to Tokyo to visit their children, but find themselves in the way. Only their widowed daughter-in-law has time for them. A poignant study of the tensions in family ties, continuing the Made in Japan season, and starring Chishu Ryu and Chiyeko Higashiyama (1953).(In black and white, with English subtitles).

1.15 Close.

LWT

6.00 TV-am. 9.25 Motormouth. 11.30 The ITV Chart Show. 12.30 pm Superman.

1.00 ITN News; Weather.
1.05 LWT News; Weather.
1.10 Saint and Greavsie. The best action from the midweek round of the Rumbelow's Cup. Plus a preview of the Rugby World Cup.
1.55 Rugby World Cup Preview. Frank Bough and his team of experts look ahead to the grand opening in five days time.
3.00 Film: Colour Scheme. Police chief Rodarick Alleyn finds himself in the middle of a bizarre plot when a man suspected of helping the Germans sink British ships goes missing. Ngaio Marsh mystery starring George Baker (TVM 1978).
4.35 Cartoon Time.
4.45 Results Service. A round-up of the day's football scores.
5.00 ITN News; Weather.
5.05 LWT News; Weather.
5.10 10 Sharp! Presenter Pat Sharp joins Nick Faldo on the golf course, meets singer Cathy Dennis and spends the day with the You Bet! production team.
5.20 Baywatch. When Hobie Buccannon overhears his parents arguing about his custody, he runs away with friends to a deserted island.
6.15 Blind Date.
7.15 Film: Dr No. Sean Connery's first outing as James Bond sees him investigating strange goings-on in Jamaica. Starring Ursula Andress in the role which made her name, and Jack Lord (1962).
9.15 ITN News; Weather.
9.30 LWT Weather.
9.35 Film: Buster. Phil Collins makes his film debut in the true story of Buster Edwards, one of the gang in the Great Train Robbery of 1963. Also starring Julie Walters and Larry Lamb (1988).
11.25 Film: Shanghai Surprise. Madonna stars as a missionary who hires an adventurer to track down a stack of opium before it falls into the wrong hands. Also starring her ex-husband, Sean Penn (1986).
1.15 Tour of Duty.
2.10 Get Stuffed; ITN News Headlines.
2.15 WCW Pro Wrestling.
3.10 Get Stuffed.
3.15 Coach; ITN News Headlines.
3.45 Baseball 1991.
4.40 The Hit Man and Her

CHANNEL4

6.00 Early Morning. 6.30 Class by Class. 10.00 Check Out 91. 10.30 Wagon Train. 11.30 Australian Rules Football. 12.00 pm American Football — Red 42.

1.00 Film: Platinum Blonde. A newspaper reporter falls for a wealthy heiress. First of a Frank Capra double bill, starring Jean Harlow and Loretta Young (1931).

2.40 Film: It Happened One Night. A runaway heiress falls in love with a reporter who is chasing her across America. Starring Clark Gable and Claudette Colbert (1934).

4.40 Frank Capra 1897-1991. A documentary portrait of Frank Capra, one of Hollywood's greatest film directors.

5.10 Brookside.

5.30 Right to Reply. New series. Rory McGrath invites viewers to take on the programme makers.

7.00 The World This Week. Sheena McDonald and Nik Gowing present this mix of up-to-the-minute news and views.

8.00 Film: Kind Hearts and Coronets. A poor heir eliminates eight members of his family to inherit a larger fortune. Starring Alec Guinness (1949).

10.00 Ray's Male Heterosexual Dance Hall. The first in a series of short films made by promising new American directors. The offbeat story of a place where businessmen go to dance. At Ray's, entrepreneurs invite one another to dance in the same way they would propose a business meeting.

10.30 As It Happens. Andy Kershaw visits Berlin as its inhabitants start to celebrate the first anniversary of reunification. Last in series.

12.00 Manhattan Cable.

12.45 The Oprah Winfrey Show.

1.35 American Football - Red 42.

2.05 Close.

REGIONS

ITV REGIONS AS LONDON EXCEPT AT THE FOLLOWING TIMES:-

ANGLIA:
12.30 Pony Club Challenge. 1.05 Anglia News. 3.00 I Married Wyatt Earp starring Marie Osmond (TVM 1983). 5.05 Anglia News and Sport 5.15 Cartoon Time. 9.30 Anglia Weather.
BORDER:
12.30 The Munsters Today. 1.05 Border News. 3.00 Doctor at Sea starring Dirk Bogarde and Brigitte Bardot (1955). 5.10 Border News 5.15 Cartoon Time.
CENTRAL:
12.30 The Munsters Today. 1.05 Central News 2.00 Died in the Wool (1978). 5.05 Central News 5.15 Central Sports Special — Goals Extra. 9.30 Central Weather.
CHANNEL:
12.30 Blockbusters. 1.05 Diary Dates. 2.00 Raising a Riot starring Kenneth More (1955). 5.05 Channel News. 5.10 Bertie the Bat. 5.15 Puffin's Pla(i)ce.
GRAMPIAN:
12.30 Beatha'n Fhasaich. 1.05 Grampian Headlines 3.00 It Shouldn't Happen to a Vet starring John Alderton and Lisa Harrow (1976). 4.45 Scotsport Results. 5.05 Grampian Headlines 5.10 Criomagan. 5.15 Put It in Writing.
GRANADA:
1.05 Granada News 3.00 Penny Princess (1952). 5.05 Granada News 5.10 Granada Goals Extra.
HTV:
12.30 Press Your Luck. 1.05 HTV News. 3.00 The Amazing Mr Blunden. (1972) 5.05 HTV West News and Sport.
HTV Wales as HTV except:
12.30 The Munsters Today. 5.05 HTV Wales News and Sport.
SCOTTISH:
12.30 My Secret Identity. 1.05 Scotland Today. 2.00 The Princess and the Pirate starring Bob Hope and Virginia Mayo (1944). 4.45 Scotsport Results. 5.05 Scotland Today 5.15 Cartoontime. 9.30 Scottish Weather. 11.20 The Big Chill starring Tom Berenger and Glenn Close (1983).
TSW:
12.00 The South West Week. 1.05 TSW News 3.00 The Love Lottery starring David Niven and Peggy Cummins (1953). 5.05 TSW News and Sport 5.10 Gus Honeybun's Cartoon Time.
TVS:
12.30 Blockbusters. 1.05 TVS News. 3.00 Raising a Riot starring Kenneth More (1955). 5.05 TVS News and Sport
TYNE TEES:
12.30 Peppino. 1.05 Regional News. 5.10 Northern Life Sport Special. 5.15 Cartoon Time.
ULSTER:
12.30 The Intruders. 1.05 Ulster Newstime 3.00 In the Doghouse. (1961) 5.05 Ulster News and Sport 9.30 Ulster Newstime
YORKSHIRE:
12.30 Heidi Comes Home. 1.05 Calendar News. 3.00 Value for Money. 5.05 Calendar News. 5.15 Cartoon Time. 9.30 Local Weather.

S4C Wales as Channel 4 except:-
9.30 Jeffin. 10.00 Time Tunnel. 11.00 I Love Lucy. 1.00 Sixthintysomething. 1.30 The Razor's Edge starring Tyrone Power with Gene Tierney. (1947) 4.10 The Marathon Monks of Mount Hiei. 6.30 The Wonder Years. 7.00 Newyddion Nos Sadwrn. 7.25 Bacha Hi O Ma. 8.10 TV Taff. 8.40 The Olive (1988). 10.30 In Context. 11.30 Frank's Place.

SUNDAY

BBC1

6.45 Open University. 8.50 Playdays. 9.10 News. 9.15 In Touch with Healing. 9.30 This is the Day: 10.00 See Hear! 11.00 State of Training.

12.00 The Colour Eye. Psychologist David Lewis investigates claims made about colour psychology. Are people who like yellow more outgoing than those who choose green?
12.30 Country File. John Craven goes beachcombing with thousands of volunteers from Coastwatch UK, who this week will be checking pollution levels around Britain's shores.
12.55 Weather for Farmers.
1.00 News; On the Record. On the eve of the Labour Party Conference, Jonathan Dimbleby talks to Shadow Chancellor John Smith.
2.00 EastEnders.
3.00 Dallas.
3.45 Film: Heroes of Telemark. Occupied Norway, 1942. A team of resistance fighters undertake a vital and dangerous mission to prevent the Nazis producing an atomic bomb. Starring Kirk Douglas (1965).
5.50 Cartoon.
5.55 The Clothes Show. A new season of television's best-dressed programme begins with the final of the 1991 Clothes Show Elite Model Competition.
6.25 News.
6.40 Songs of Praise. The harvest celebrations of the people of Culmpton, an agricultural area in East Devon.
7.15 Keeping Up Appearances.
7.45 Trainer. Starring David McCallum, Susannah York and Mark Greenstreet.
8.35 Bread.
9.05 News and Weather.
9.20 EX. The humorous story of a failed marriage, an unresolved divorce, a half-successful career and a relationship that's going nowhere. A witty examination of the way many people live now, starring Griff Rhys Jones and Geraldine James.
10.45 Everyman. At the age of 17, John Hull started to lose his sight. In 1981 he became totally blind. Touching the Rock explores John's odyssey from someone who could hardly see into someone completely sightless.
11.25 Japanese Language and People. Shown yesterday on BBC2.
11.55 Mahabharat. (English subtitles).
12.35 Weather.
12.40 Close.

BBC2

6.35 Open University. 12.00 Environment, Living with Drought — an investigation into what African people are doing to solve the environment crisis facing many parts of the African Continent. 12.30 pm Holiday Outings. Anne Gregg reports on a budget Kenyan surf and safari holiday. 1.00 Home Economics.

1.25 Sunday Grandstand. Introduced by Steve Rider from Kiawah Island, South Carolina, USA. Featuring 1.30 Golf: The Ryder Cup: The decisive third day as holders Europe and challengers America do battle in 12 singles matches. 1.45 Motor Racing: The Spanish Grand Prix from Barcelona. 4.00 Golf: Continuing the coverage from the Ryder Cup. Times are subject to change.

3.25 Greener on the Other Side? Roshan Seth finds out whether India can develop without destroying its natural resources. Until recently India tried to escape the twin traps of poverty and under-development by encouraging massive industrial and hydro-electrical projects. Now a legacy of polluted water, degraded farmland and disappearing forests means that the livelihoods of millions of Indians are under threat.

5.25 Spanish Grand Prix. Highlights from Barcelona. Nigel Mansell's hopes remain high, but Ayrton Senna remains the favourite with so few races left this season.

10.00 Film: Gardens of Stone. While war rages in Vietnam, Sgt Clell Hazard, a decorated veteran, is assigned to Fort Myer, Virginia. Once there, his unit conducts military burials while working out their frustrations in debates over the war. Drama starring James Caan, James Earl Jones, Anjelica Huston, Dean Stockwell and Stuart Masterson. Directed by Francis Coppola. (1987).

11.50 Film: Jeanne's House (Subtitled). A portrait of Jeanne, who not only has to cope with her cook husband, two children and two eccentric sisters, but also a hysterical pharmacist mother, a philandering father and a forceful new landlord who is used to having his own way. Jeanne is soon torn between her wifely loyalties and a would-be lover. Starring Christina Boisson and Jean-Pierre Bisson (1988).

1.20 Close.

LWT

6.00 TV-am. 9.25 Disney Club. 10.45 Link. 11.00 Morning Worship. 12.00 The Human Factor. 12.25 pm Way of the Lakes. 12.55 LWT News; Weather.

1.00 ITN News; Weather.
1.10 Walden. Brian Walden begins a new series, talking to Labour's campaign co-ordinator Jack Cunningham, on the eve of the Labour Party Conference.
2.00 Film: Fantastic Voyage starring Stephen Boyd, Edmond O'Brien and Raquel Welch (1966).
4.00 The London Match. A look at this weekend's regional sport.
5.00 The Oval Globe - A World of Rugby. The full squads of the 16 teams competing in this year's Rugby World Cup get together for the first and final time at a banquet in London. Frank Bough mingles with the players who will be making the headlines in the next month.
6.00 Bullseye.
6.30 ITN News; Weather.
6.35 LWT News; Weather.
6.40 Appeal. Jonathan Dimbleby appeals for Ferm Africa.
6.45 Highway. Sir Harry Secombe visits the historic market town of Morpeth in Northumberland.
7.15 Beadle's About.
7.45 The Ruth Rendell Mysteries: A New Lease of Death. New series. Years before, a wealthy old lady was battered to death, and Wexford caught his first murderer. Thirty years later, the case is reopened when the conviction and sentencing of an odd-job man is extraordinarily challenged by a men of the cloth.
8.45 London's Burning. New series.
9.45 ITN News; Weather.
10.00 LWT Weather.
10.05 Hale and Pace. New series.
10.35 The South Bank Show. Melvyn Bragg talks to author David Lodge, who has made his name with comic campus novels such as Changing Places and Small World, in which he transformed Birmingham into the fictional Midlands town of Rummidge.
11.35 Cue the Music. The Electric Light Orchestra; ITN News Headlines.
12.40 The ITV Chart Show.
1.35 Film: This Wife for Hire. Comedy starring Pam Dawber and Robert Klein (TVM 1985).
3.10 Hodson Confidential.
3.40 Film: Fire Over Rome starring Evy Maltagliati (1965).
5.05 Soap.

CHANNEL4

6.00 Early Morning. 9.25 The Sword of Tipu Sultan.(English subtitles). 10.00 Dispatches. 10.45 Dennis. 11.00 Owl TV. 11.30 The Lone Ranger. 12.00 The Waltons.

1.00 Voyage to the Bottom of the Sea.
2.00 Film: Thank Your Lucky Stars. Eddie Cantor and his double get involved in planning a patriotic show. With Bette Davis, Errol Flynn and Humphrey Bogart (1943).
4.20 Famous for Four Minutes.
4.25 Man-Made for Nature. The man-made lake which submerged 1,200 acres of farmland in Chew Valley, Somerset, created to provide five million gallons more tap water by the Bristol Waterworks Company. Previously shown on ITV.
4.55 News Summary; Weather.
5.00 Family Pride.
5.30 The Storyteller. A king has three daughters, two are bad and one is good. When he decides to remarry, the law of the land requires his marry whoever the royal ring fits. Unfortunately that is his one good daughter.
6.00 Press Gang. Previously shown on ITV.
6.30 The Cosby Show.
7.00 Equinox. Using computer technology, Professor Edward Thorpe has devised a blackjack strategy so successful that it has been banned from every casino in the world. Equinox looks at how maths can break the bank.
8.00 Classic Cars. A look behind suburbia's garage doors where otherwise ordinary folk harbour their secret obsessions, the vehicles which enable their owners to relive Britain's post-war golden age of motoring.
8.30 American Football.
10.00 Film: Beerskin. On the run from a couple of hit-men, young Johnny Fortuna escapes from a life in basement poolrooms, to become a dancing bear. Starring Tom Waits and Damon Lowry (1990).
11.50 Film: Girl on the River. Continuing the Vietnam Cinema season. Based on a true story set in Hue, the ancient capital of Vietnam (1987).(English subtitles).
1.35 Close.

REGIONS

ITV REGIONS AS LONDON EXCEPT AT THE FOLLOWING TIMES:-

ANGLIA:
12.30 Goals Galore. 12.55 Anglia News. 2.00 Highway To Heaven. 2.55 Beau Brummell. (1954) 5.35 Anglia News.
BORDER:
12.30 Gardening Time. 12.55 Border News. 2.00 Just For The Record. 2.25 All Clued Up 2.55 The Oval Globe — A World of Rugby. 4.00 Highway to Heaven. 5.35 Border News. 11.35 Prisoner: Cell Block H.
CENTRAL:
12.30 Gardening Time. 12.55 Central News 2.00 Sands of the Desert. 3.45 Man from Tangier. 5.35 Central News 11.35 Prisoner: Cell Block H.
CHANNEL:
12.30 Reflections. 12.35 Les Francais Chez-Vous. 12.50 Tele-Journal. 2.00 The Wonderful World of Disney. 3.00 Storm Over the Nile. 5.35 Channel News. 11.35 The Human Factor.
GRAMPIAN:
10.45 Interbangi 11.15 Let's Rejoice. 11.45 Link. 12.30 Jack Thompson Down Under. 12.55 Grampian Headlines. 2.00 Coronation Street. 2.00 Transworld Venture. 4.00 The Oval Globe: A World of Rugby. 5.00 Scotsport. 5.35 Grampian Headlines. 11.35 Prisoner: Cell Block H.
GRANADA:
12.25 Chalte Chalte. 12.55 Granada News Headlines 2.00 The A-Team. 2.55 The Oval Globe — A World of Rugby. 3.55 The Granada Match. 5.00 Bullseye. 5.30 Coronation Street. 5.35 Granada News 11.35 Prisoner: Cell Block H.
HTV:
12.30 Survival — The First 30 Years. 12.55 HTV News. 2.00 HTV Newsweek. 2.30 The Wedding Night. 4.00 Yangtze Adventure. 5.35 HTV News.
HTV Wales as HTV except:
12.30 Portrait of the Wild. 2.00 Farming Wales.
SCOTTISH:
10.45 Glen Michael's Cartoon Cavalcade. 11.15 Link 11.30 Sunday Service. 12.30 Right or Wrong. 12.55 Scotland Today. 2.00 Houseboat. (1958) 4.00 The Oval Globe — A World of Rugby. 5.00 Scotsport . 6.00 Working Miracles. 5.35 Scotland Today 10.00 Scottish Weather. 11.35 Jake and the Fat Man.
TSW:
12.30 TSW Farming Week. 12.55 TSW News 2.00 The Middle Years. 2.05 Coronation Street. 3.00 Off the Hook. 3.30 McCloud. 5.35 TSW News 11.35 Prisoner: Cell Block H.
TVS:
12.30 TVS News. 12.33 Jack Thompson Down Under. 2.00 The Wonderful World of Disney. 3.00 Storm Over the Nile. 5.35 TVS News 11.35 The Human Factor.
TYNE TEES:
12.25 Northern Life Review. 12.55 Regional News. 2.00 Highway to Heaven. 3.00 The Back Page. 3.30 Watch it Sailor. (1961) 5.35 Regional News. 11.35 Prisoner: Cell Block H.
ULSTER:
12.30 Farming Ulster. 12.55 Ulster Newstime 2.00 Murder She Wrote. 2.55 The Oval Globe — A World of Rugby. 3.55 The Granada Match. 5.00 Bullseye. 5.30 Coronation Street. 5.35 Ulster Newstime 10.00 Ulster Newstime 11.32 Ulster Newstime 11.35 Prisoner: Cell Block H.
YORKSHIRE:
12.25 Goals on Sunday. 12.50 Calendar News 2.00 The Wonderful World of Disney. 3.00 The Biggest Bank Robbery. 5.35 Calendar News 11.35 Choice Max Boyce.

RADIO

SATURDAY

BBC RADIO 2
5.00 Graham Knight. 5.05 Ronnie Hilton. 8.00 Brian Matthew. 10.00 Anne Robinson 13.00 Gerald Harper.
1.30 The News Huddlines. 2.00 Ed Stewart. 4.00 Kenny Ball 4.30 Katie and Friends. 5.00 Cinema 2. 6.30 Music By.
5.00 Brooks Aebron's Serenade. 7.00 Spot the Record. 7.00 George Shearing and Mel Torme: An Evening of Excellence. 9.30 Easy Does It. 10.00 The Arts Programme.
12.05 Brian Matthew. 1.00 John Terrett. 3.00 A Little Night Music. 4.00 David Allan

BBC RADIO 3
7.00 Morning Concert
8.30 News.
8.35 Tork Early Music Fragments.
9.30 Saturday Review.
12.25 Replay
1.00 News.
1.05 Spitalfields Festival 1991
3.15 BBC Symphony Orchestra.
4.00 Tuning Up
5.00 Jazz Record Requests.
5.45 Third Opinion.
6.30 Ravel.
7.00 The Flying Dutchman.
9.30 The Lessons of War.
9.55 Russian Cello Music.
11.00 Summer Music Society of Dorset.
12.00 News
12.05 Close.

BBC RADIO 4
6.00 News.
6.10 Farming Week.
6.50 Prayer for the Day.
6.55 Weather.
7.00 Today
6.55 Weather.
9.00 News.
5.05 Sport on 4
9.30 Breakaway.
10.00 News, Loose Ends.
11.00 News, Talking Politics.
11.30 From Our Own Correspondent.
12.00 Money Box.
12.25 The News Quiz.
12.55 Weather.
1.00 News.
1.10 Any Questions?
1.55 Shipping Forecast
3.00 News; Any Answers?
3.30 Saturday Playhouse: The Other Side of the Hill.
4.00 Litmus Test.
4.30 Science Now.
5.00 A Shilling a Week and All the Mice You Can Eat
5.25 Fourth Column.
5.50 Shipping Forecast.
5.55 Weather.
6.00 News; Sports Round-up.
6.25 Week Ending.
6.50 Stop the Week.
7.30 Kaleidoscope
7.55 Classic Serial.
8.50 Conversations with Historians.
9.20 Music in Mind
9.50 Ten to Ten.
6.58 Weather.
10.00 News.
10.10 In Columbus' Wake.
10.45 The Other MCC.
11.00 Richard Baker Compares Notes.
11.30 The Harpoon.
12.00 News; Interlude.
12.43 (FM) Close.
12.43 (LW) As World Service.

BBC RADIO 5
6.00 News and 24 Hours.
6.30 Morning Edition.
9.00 On Your Marks.
12.00 Sport on 4 Plus 1.
12.30 Sportscall.
1.30 Sport On 5.
6.00 As R4
7.20 Box 13.
7.45 Golf: The Ryder Cup.
11.10 Fanshawe on Five.
12.00 Sport.
12.15 Close.

WORLD SERVICE
BBC for Europe can be received in Western Europe on Medium Wave 648 kHZ (463m) at the following times BST:
6.00 News; Twenty Four Hours. 6.30 Londres Midi; Weather. 7.00 Newsdesk. 7.30 Meridian. 8.00 News; Twenty-Four Hours live; News Summary. 8.30 From the Weeklies. 8.45 English Songsmiths. 9.00 News; Words of Faith. 9.15 A Jolly Good Show. 10.00 News; Weveguide; Worldbriel. 10.30 Personal View. 10.45 Sports Roundup.
11.00 News Summary. 11.01 Jazz Now and Then. 11.15 Club 648.
11.30 Londres Midi 11.45 Mittagsmagazin; Weather. 12.00 Newsdesk. 12.30 Meridian. 1.00 News; News About Britain. 1.15 Multitrack 5. 1.45 Sports Roundup.
2.00 Newshour. 5.00 News Summary. 3.01 Sportsworld. 4.00 News. 4.15 SBC English. 4.30 News and Features in German. 4.52 Travel News. 5.00 News. 5.15 SBC English. 5.30 Londres Soir. 6.14 Letter from America. 9.29 News summary. 6.30 Heute Aktuell. 7.00 German features. 7.45 News in German.
9.00 News; Write On. 9.15 Londres Derniere. 6.30 Club 648. 0.45 From The Weeklies. 6.00 News; Personal View. 6.25 Words of Faith; Meridian. 10.00 Newshour. 11.00 News. 11.05 Short Story: The Long Hot Day
11.20 Jazz For The Asking. 12.00 News; Words of Faith; Book Choice. 12.15 A Jolly Good Show. 1.00 Newsdesk 1.30 The Ken Bruce Show. 2.00 News Summary.
2.01 Play of the Week: Here is Monster. 3.00 Newsdesk. 3.30 Something To Die For. 4.00 News; News About Britain. 4.15 Recording of the Week. 4.30 From Our Own Correspondent. 4.59 Write On.

SUNDAY

BBC RADIO 2
9.00 Graham Knight. 7.30 Good Morning Sunday. 9.05 Melodies For You. 11.00 All Time Greats. 2.00 Sonny Green. 3.00 Sounds Easy. 4.00 They Called Me Al. 4.30 Sing Something Simple. 5.00 Charlie Chester. 7.00 Black Magic. 7.45 A Musical Pot Pourri. 8.30 Sunday Half-Hour. 9.00 Your Hundred Best Tunes. 10.00 Radio 2 Arts Programme. 12.05 Sounds of the 50s. 1.00 John Terrett with Night Ride. 3.00 A Little Night Music. 4.00 The Early Show

BBC RADIO 3
7.00 Morning Concert.
8.30 News.
8.35 The Compleat Cappellmeister
9.15 The Melos Ensemble.
10.00 Mozart on the Road.
10.30 Music Weekly.
11.15 Salzburg.
12.15 Mozart and the Idea of Germany.
12.30 Ignaz Holzbauer.
1.00 Mozart the Cosmopolitan.
1.15 Leipzig and Frankfurt.
2.30 Mozart and Donna Anna.
3.15 Italy.
4.30 Mozart in Prague.
5.30 Prague
6.45 Mozart and the Creative Process
7.30 Paris and Mannheim.
9.30 Mozart in Vienna.
10.15 Serenade in G.
11.00 St Michael and All Angels.
12.00 News.
12.05 Close.

BBC RADIO 4
6.00 News.
6.10 Prelude.
6.30 News; Morning Has Broken.
5.55 Weather.
7.00 News.
7.10 Sunday Papers.
7.15 On Your Farm.
7.40 Sunday.
8.50 The Weeks Good Cause.
8.50 Weather.
9.00 News.
9.10 Sunday Papers.
9.15 Letter from America.
9.30 Morning Service.
10.15 The Archers.
11.15 News Stand.
11.30 Pick of the Week.
12.15 Desert Island Discs.
12.55 Weather.
1.00 The World This Weekend.
1.55 Shipping Forecast.
2.00 Gardeners' Question Time.
2.30 Saturday Playhouse: The Other Side of the Hill.
4.00 News; Analysis.
4.47 Time for Verse.
5.00 News; Down Your Way.
5.40 Tales of a Dragon.
5.50 Shipping Forecast.
5.55 Weather.
6.00 News.
6.15 The Village
6.30 Murder Most Foul.
7.00 In Business.
7.30 Bookshelf.
8.00 A Hack in the Borders.
8.30 Enterprise 91.
9.00 The Natural History Programme.
9.30 Special Assignment.
9.50 Weather.
10.00 News.
10.10 Now You See It.
11.00 A Perspective for Living.
11.30 Seeds of Faith.
12.00 News and Weather.
12.33 Shipping Forecast.
12.43 (FM) Close.
12.43 (LW) As World Service.

BBC RADIO 5
6.00 World News and 24 Hours.
6.30 Meridian Reports.
7.00 Newsdesk.
7.30 Sunday Edition.
8.00 News and Sport.
5.04 This Family Business.
10.30 Education Matters.
11.00 News and Sport.
11.02 Business on the Move.
11.30 The Osz Before Yesterday.
12.00 News and Sport.
12.03 Open University.
2.00 News and Sport; Golf: The Ryder Cup.
5.00 When in Spain.
5.30 France Extra!
9.00 Deutsch Otrokti
9.30 Dragnet.
10.00 Sport.
10.10 Across the Line.
12.00 Sport.
12.10 Close.

WORLD SERVICE
BBC for Europe can be received in Western Europe on Medium Wave 648 kHZ (463m) at the following times BST:
6.00 German Features. 5.24 News in German. 6.30 The Ken Bruce Show; Weather. 7.00 Newsdesk. 7.30 Londres Matin. 9.00 News; Twenty-four Hours; News. 8.30 From Our Own Correspondent.
5.50 Write On. 8.00 News; Words of Faith. 8.15 Music With Matthew. 10.00 News; World Business Review. 10.15 Short Story: The Long Hot Day. 10.30 B-Side Beat. 10.45 Sports Roundup. 11.00 News; Science in Action. 11.30 in Praise of God. 12.00 Newsdesk. 12.30 Londres Midi. 12.45 Mittagsmagazin. 1.00 News. 1.01 Play of the Week: Here is Monster. 2.00 Newshour. 3.00 News. 3.01 It's God's World. 4.00 News. 4.15 Concern Hall. 5.00 News; News About Britain. 5.15 SBC English. 5.30 News in German; German Features. 6.00 News and Business Review. 6.14 Club 648. 6.30 Londres Soir. 7.14 BBC English. 7.29 News; News in German. 7.40 German Features. 5.54 News in German. 9.00 News and Business Review. 9.15 Londres Derniere. 9.30 In Praise of God. 10.00 Newshour. 11.00 News. 11.05 Folk in Britain. 11.50 Sports Roundup. 12.00 News; World Business Review. 12.15 Letter From America. 12.30 It's God's World. 1.00 Newsdesk. 1.30 In Praise of God. 2.00 News. 2.01 The Sea, The Sea. 2.45 English Songsmiths. 3.00 Newsdesk. 3.30 Composer of the Month.

CHESS

CLUB AND congress players who use the Sicilian Defence 1 e4 c5 often have a simplistic idea of its strategy. They know that a fianchettoed black bishop at g7 is a lynchpin which should rarely be exchanged for a knight; and since Bobby Fischer they know the dangers of a bishop at a2 or b3 supporting a white pawn attack by f4-f5.

Volume 2 of Lev Polugaevsky's The Sicilian Labyrinth (Pergamon, £12.50) shows the true variety of Sicilian middle games. A white knight or bishop at d5, or their black counterparts at e5, can dominate the board.

Anatoly Karpov, who prefers the white side of the opening, has won many Sicilian endings with bishop against knight or bishops of opposite colours; while exchange sacrifices of rook for bishop or knight are frequent.

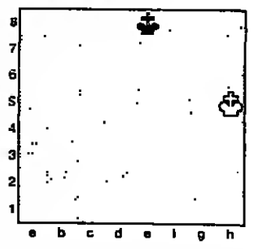
Polugaevsky highlights how Mikhail Botvinnik, world champion 1948-63, won Sicilians as Black with queen and light-squared bishop; this week's game is a Botvinnik classic (N Padevsky, White; M Botvinnik, Black; Sicilian Defence; Moscow 1956).

1 e4 c5 2 Nf3 Nc6 3 d4 cxd4 4 Nxd4 Nf6 5 Nc3 d6 6 Bc4 e6 7 0-0 Be7 8 Be3 0-0 9 Bb3 Na5 10 f4 b6 11 Qf3? Too slow. The critical plan is 11 e5 Ne8 12 f5.Bh7 12 g4 Rc8 13 g5 Rxc3! For his sacrifice, Black gains the initiative and active bishops, either as in the game or by 14 gxf6 Rxc3 15 Qxe3 Bxf6.

14 bxc3 Nxe4 15 Qg4 Qc8! 16 Rf3 Nxb3 17 axb3 f5 18 Qh4 e5 19 Rh3 b6 20 Qh5. White is trying for gxh6, hxg7 and mate. Botvinnik quietly lines up his long diagonal attack. Qxc3

21 Rd1 exd4 22 Bd2 Qc6 23 gxh6 Ng5 24 Rg3 Qh1+ 25 Kf2 Ne4+ 26 Resigns. If 26 Ke2 Nxg3+ wins the queen and soon mates.

Chess no. 890



A strange puzzle (by Dr J Sunver) with an unusual stipulation. White takes back his last move, then Black replaces his own last move by a different choice which allows White to deliver checkmate in one.

Solution Page XIV

Leonard Barden

BRIDGE

IF ONLY declarers would not play a card, either from dummy or from hand, until they had carefully considered the whole hand, they would not lose so many contracts. This deal from match-pointed pairs illustrates what I mean:

N
♠ K 8 3
♥ J 10 8
♦ A 8 5 2
♣ 8 6 4

W
♠ Q J 10
♥ Q 7 6 5 2
♦ Q 9 6
♣ 7 2

E
♠ 7 6 5 2
♥ A 4
♦ J 10 3
♣ K 9 5 3

S
♠ A 9 4
♥ K 9 3
♦ K 7 4
♣ A Q J 10

With neither side vulnerable, South dealt and opened with one club, North replied with one diamond, the opener rebid two no trumps, showing 17-18 points, and North raised to three no trumps.

West's opening lead of the heart five was taken by the ace, and East returned the four. South played his nine, losing to the queen, and won the third heart with his king. Crossing to the spade king, declarer led a club, finessed the knave, crossed again to the diamond ace, and finessed the club queen. He cashed the ace, but no king dropped, and he ended with only eight tricks.

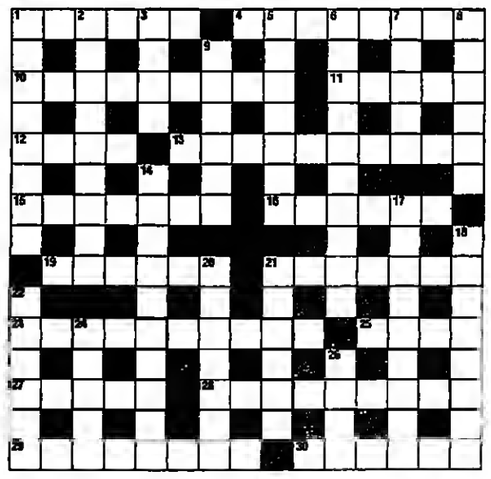
Let us replay the hand. When dummy goes down, we count two tricks in spades, one in hearts, and two in diamonds. Therefore, we need four club tricks, so we assume that the king is onside. There is another consideration — should East hold four clubs, an extra entry to dummy is needed. We play dummy's heart knave — West may have led from ace and queen — but East plays the ace. We have the answer: throwing our king under the ace. Now nothing is going to stop us from getting back to dummy three times. East leads his last heart to West's queen, and West leads a third heart to dummy's knave. We take one club finesse, and can return to dummy twice for the other two.

E.P.C Cotter

CROSSWORD

No. 7,658 Set by CINEPHILE

Prizes of £15 each for the first five correct solutions opened. Solutions to be received by Wednesday October 9, marked Crossword 7,658 on the envelope, to the Financial Times, Number One Southwark Bridge, London SE1 9HL. Solution on Saturday October 12.



Name.....

Address.....

ACROSS
1 Sort of plant one goes in to cancel (6)
4 Sort of plant has the French well situated the other way (8)
10 Sort of plant makes private returns among bells (9)
11, 12 Plant to lie out with putter (5-4)
13 Weighty writer added weight to city (10)
15 Conference with drink a feature (5-2)
18 See 3
19 Coming of a depression about verse (6)
21 Walters revealed as opponent of financial restraint (7)
23 Supply one with dose that's blended and balanced (10)
25, 27 Sort of paper producing report? (9)
26 Simple man makes pains (9)
29 Italian resort like this accepts gold payment (8)
30 Note sound of singer (6)

DOWN
1 Desire is small in higher animal (6)
2 Minder, USA style.... of children (9)
3, 16 An agreement on love, a small one this time (4,6)
9 Maltreated by journalist after a lot of false ideas (3-4)
5 Bottom of flask put in trap (10)
7 Inch has a tenant (5)
8 Circumference divided by diameter in crescent-shaped figure — beastly! (6)
9 See 21 down
14 Suit or suite? The "s" is required with recipe (5-5)
17 What's arrived during race? That would be telling (9)
18 Second-hand on watch has given long service (3-5)
20 Striking mechanism found by river in cape (7)
21, 9, 21 Turning mechanism seems self-contained (6,6,6)
22, 26 Pansy's suit has simplicity (10)
24, 25 Revise current advertisement for landing gear (9)
28 See 22

Solution to Puzzle No.7,657

Solution and winners of Puzzle No.7,646

Spine-chilling, brain-numbing thrill

***Dominic Lawson** weighs the exhilaration of boxing against the damage of the blows*

I DON'T think I've ever gained so much pleasure and excitement from a sporting event as when I witnessed a world championship boxing match in Las Vegas last year. I had gone to Vegas to to write an article about Don King, the fight business's most successful promoter. King is quite useful with his hands himself, and once killed a man without the aid of any other weapon, but I chose not to ask him about this. Perhaps in return for this uncharacteristic tact on my part, King gave me a ticket for the big fight. I took it, without much intention of going to my first boxing match, bnt as the only alternative entertainment was the possibility of losing money on the tables, I turned np, feeling rather ashamed.

The first thing one appreciates as a spectator at a boxing match, rather than merely as a television watchar, is tha sheer percussive weight of the blows. That is thrilling, in a spine-chilling way. The fight went the distance, the challenger being knocked out an instant before the final bell. Several seconds after that I found that, like everyone around me, I was standing and cheering. It was the cheering of which the individual is unconscious, a release of the animal or the child in us, and therefore a pleasure of a particularly pure kind. I cannot remember the name of the challenger, and, at the time, probably neither could he. But I do wonder how I would have felt if that final percussive blow had been not merely decisive but fatal. What shame would I have felt, if any?

Interesting then to read again the reports of the match between Chris Eubank and the stricken Michael Watson from last Sunday's papers. Most of the correspondents filed, and their papers printed, before it was clear that Watson was suffering more than concussion. Hugh McIlvanney in the *Observer* praised "the standards of technique, excitement and intensity" of the bont, pronouncing it "great". And he was quite right. The *Sunday Times* man, Harry Mullan, wrote of a "magnificent fight, one which overflowed with the kind of passion and commitment so conspicoously absent from their last encounter".

Again, all true. It is precisely this sort of fight which thrills us, which most endanger the boxers. I recall one boxing writer who had the honesty to recall that his first reaction when seeing the blow which killed the Welsh fighter Johnny Owen, was to cry out "what a punch! what a f. . . ing punch!"

But, objectively, one should not feel more guilty for having witnessed a fight in which someone is knocked out. In the main the damage to boxers' brains is not the result of one blow, but of years of constant punishment. Witness the pathetic shell of Muhammad Ali, who was never knocked out, but is as clear a case as you will see of punch-drunkenness. The greatest fighters of all, Ali, Sugar Ray Robinson and Joe Louis, ended up shambling, mumbling wrecks.

I am therefore tolerant of those who say that boxing should be banned, although I also think they are intolerant and illiberal. But I am intolerant of those who, as Watson's life has teetered against the ropes of oblivion, have vented their spleen on the presentation of boxing rather than the thing itself. One such is Sir Bernard Ingham, now an all-purpose hack on tha *Daily Express*, who fulminated that "we should end the disgraceful pre-fight hype which disfigures the sport. Those pathetic nose-to-nose first-to-blink preliminaries must be etopped". What possible harm is caused by these fun and games? "I'll moider da bum" is almost as old as boxing. Why should this be deemed worse than the real damage the fighters do to each other? I sense here an awful puritanism, which deplores not boxing, but the fact that it is glitzy commercial business; just as the original Puritans abhorred bear-baiting, not because of the distress caused to the bears, but because the spectators took pleasure in it.

■ *Dominic Lawson is editor of The Spectator.*

All to Watson – Page XI

Private View

An angry young conservative of the Left

***Christian Tyler** asks union leader Rodney Bickerstaffe what a Labour government would mean*

THIRTEEN years ago James Callaghan, Labour's last Prime Minister, sang "Waiting at the Church" to the trades union congress in Brighton, teasing the delegates about wbether he would go to the country that autumn or the following spring.

Against all expectations and in spite of union leaders' private warnings that they could not hold the line for wage controls any longer, Callaghan plumped for the spring. The winter of discontent forecast by union bosses duly materialised and in the spring Margaret Thatcher reaped her harvest, the first of three general election victories.

With an election again in the wind, the Conservative propaganda machine has used the weeks running up to Labour's 1991 party conference, which opens tomorrow to crank out images of that distant, strike-ridden winter. And trade union bogeymen have been exhumed to frighten the children of Thatcherism.

Conservative Central Office has reserved a leading role in its horror movie for Rodney Bickerstaffe, the 46-year-old general secretary of the public service workers' union NUPE, veteran of the winter of discontent, and current president of the TUC.

However, just as film stars always turn out to be a foot shorter than you imagined them, so bogeymen, seen up close, can fail to live up to the picture created by the political scriptwriters.

To be sure, Bickerstaffe refuses to disown the ideals on which the labour movement was founded, yet he is a thoroughly modern trade union officer and highly regarded by colleagues. He refuses to follow fashion in clothes, too, yet is always smartly turned out. He is a leftwinger, but not so rigidly doctrinal that he feels obliged to shake his fists from the sidelines in condemnation of the party's rapid rightwards drift.

On the speaker's rostrum Bickerstaffe employs a combination of ranting and mockery learned from his predecessor Alan Fisher at the NUPE school of rhetoric. (When yoor message is the injustice of poverty, your language cannot be very subtle). In private he is still loquacious, but the mockery gives way to a gentlar humour. The passion that Bickerstaffe injects into his public speeches about the low-paid may sound stylised, yet it is there in his private conversation too. His anger may be thought immoderate, bnt it is real. Behind the tough Yorkshire manner there is an affectionate, even sentimental, man.

Because his union members are so badly paid Bickerstaffe chooses not to live in the style to which some general secretaries have become accustomed. If be goes abroad on holiday, it is on a coach trip. He gets paid £36,000 a year, but (well-founded rumour has it) gives a lot of that away. He devotes part of his scarce free time to campaigning for Britain's least popular minority, the gypsies.

By coincidence, Bickerstaffe's deputy, Tom Sawyer, is this year's chairman of the Labour Party. So I asked the obvious question. Would a Labour Government do the unions' bidding?

Bickerstaff denied there would be an explosive release of pent-np expectations if Labour were elected, leading to hyperinflation and huge pnblic expenditure, even though over the last 12 years the rich had got richer and the poor poorer.

"What we *do* expect is a stop to the pain. Things must not get worse. That's what we're asking of the Labour Party in government. And that's their only promise: we'll try not to make things worse."

The relationship between unions and party was not set in constitutional concrete, he said. It had changed from decade to decade, even year to year. Today it was an open question how much, and how quickly, TUC aspirations would be met by a Labour government.

As president of the European pnblic service workers unions, Bickerstaffe is often in Brussels. Did he hope to secure from the EC benefits for organised labour that the British Labour Party was afraid to give?

"That suggests the Labour party is afraid of doing something because of this alleged public perception of it kow-towing to the trade unions. I don't think they are."

Bickerstaffe was a national officer of NUPE during that politically disastrous winter of 1978-9. I asked him if the memory bothered him.

"No. We can't run away and I don't run away from that period. What we were trying to do then on behalf of our membership was to stop the pain in terms of poverty pay. The Tory Party talks perpetually about the unburied dead. The fact that they don't care about the living and dying doesn't seem to matter.

"On November 10, John Major will be down there at the Cenotaph, quite properly, honouring the dead as we all do. But as I've said often enough, it's no good honouring the dead one day of the year and dishonouring the living for the rest of the 365 days."

The experience of 1979 showed that the unions and the Labour Party weren't in one another's pockets, he said. "And if we were overpowerful, how come our people got such disgustingly low pay, so low that some who work for the Department of Health or Social Security at the end of the week have to go to that sama department to get benefits?"

What kind of leftwinger are you? I asked him.

"Wa could get into a headscratching debate about that but as far as our people are concerned, I try to project what *they* think. People challenge me: are you ultra-left, are you hard left? I say I'm sensible left. What I want is achievable; it can be done.

"Some people say that like the rest of the movement I have been dragged to the right, compared with markers posts like Arthur Scargill, Tony Benn, Dennis Skinner. But I have done that very, very slowly. I'm a small 'c' conservative. I don't leap to change things for the sake of it."

The Labour Party had been dropping some of the old baggage, he said, and was derided by opponents for its champagne socialism.

"What I'm concerned abont is that some of the old stuff must stay. And that old stuff for me is the compassion, the drive, the anger that here we have one of the 20 richest nations on earth and millions of our people are getting exploited. There has got to be heart, soul, vision, whatever the early pioneers of the movement had. I'm anxious that we re-write it in every generation."

"People should not lose the anger of their youth. What's the old saying? If you're not a socialist at 21 you haven't got a heart; if you're not a conservative at 31 you haven't got a head. The idea is that you progress and you forget it all. . . That shouldn't be true either personally or collectively."

I asked Bickerstaffe whether this anger had anything to do with the poverty of his own background. Born in Doncaster, he never knew his father and was brought up by his mother (whose name he took) in her parents' house. She was a union activist and has been a member of NUPE for 51 years. His stepfather was a school caretaker. His mother's father was a shop steward and chaired meetings of the National Unemployed Workers' Movement; his mother died in the workhouse.

At nine years old, young Rodney was photographed with a NUPE banner and early on he decided he would become either a politician or a trade union official. He did well at school, getting eight O levels and three A levels (history, English and geography) which took him to Rutherford College, now Newcastle Polytechnic, to get a second in sociology. He joined the Labour Party. (Unlike many union leftwingers, Bickerstaffe was never in the Communist Party).

The answer to my question was No. "I had a great childhood. I can't say we weren't ever so poor. We were." He added that family life was not a matter of being left wing or right wing. "But it was certainly an influence. We had a tremendous working class library and I still have about 114 of the Left Book Club books; they belonged to my grandfather. Of course the house is pulled down now, as a slum."

Where does this anger come from then?

"It's not being from poor myself. It'e knowing poor people." His greatest dislike, he said, is hypocrisy: "people being able to see disadvantage and, having the power to do something, then not doing it." Conversely, his admiration is greatest for those who try and ameliorate things even if they have little power or influence.

When Bickerstaffe encounters the well paid – a government minister, or a journalist, for that matter – he sees also the man or woman who has to clean up after him: the road-sweeper, the lavatory cleaner, the the hospital nurse, the gravedigger. It is an uncomfortable scrutiny for the comfortably off.

People might say you were a bit puritanical, I suggested.

"Clive Jenkins once said I was a hair-shirt socialist. Not true. That gives the impression of some long-haired hermit in the desert."

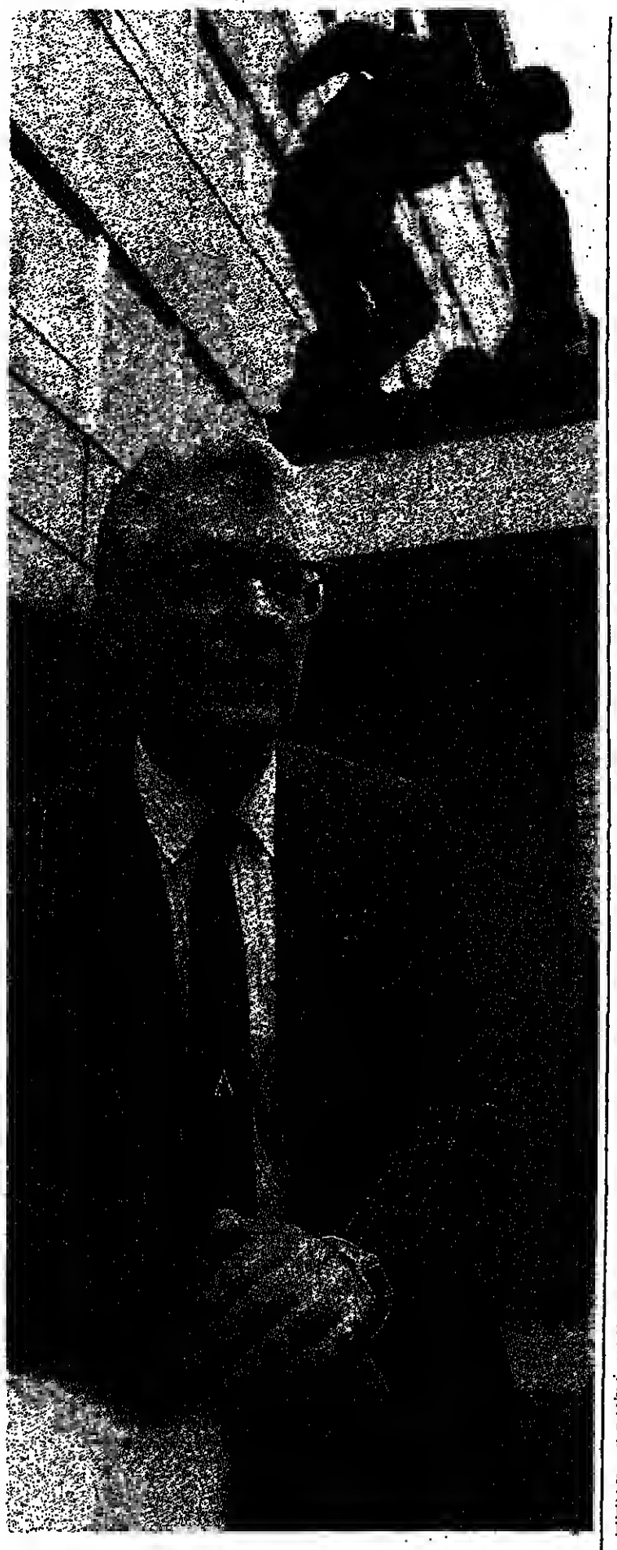
But you like to poke fun at people who indulge themselves?

"No, I don't think I do. On the earning front, what people do with their money is up to them. What I don't like is people who make it and then tread down on those who haven't made it. I don't mind people who go off and eat their quail eggs."

Have you ever eaten quail eggs?

Bickerstaffe laughed uproariously in anticipation of his answer:

"What do they look like?"



Lydia van der Meer

Scargill's father: a logophile hero

Nigel Spivey

ONE HEARS very little of Arthur Scargill nowadays. The tima was when we all knew him intimately: just how many quail's eggs he had for breakfast, tha siza of his mortgaga, etc. From that era (c. 1982) I have preserved one item of Scargilliana which transcended the bibble-babble of tabloid canards. This was the admission, or boast, to the *Sunday Times*, that Mr Scargill Senior did not let a day go by in which he failed to read a dictionary.

Whether King Arthur was enlightened about the coal mines I never knew. But I feel a deep sense of fellowship with his father; a sense of fellowship heightened by recent experience.

A former college acquaintance, getting restless as a schoolteacher, wrote to me about a new scheme he had for setting up a consultancy business. He proposed to offer an advisory service on effectiva communications. In times of recession, he argued, only companies survived which had the edga in communication. He had devised a method of judging efficiency by a combination of computer programmes and psychoanalysis, and wanted to know if I would act as a guinea pig.

HAWKS & HANDSAWS

Though sceptical of Brian's latest wheeze, I obediently bundled up a selection of past journalistic writings and sent them off to be tried by this new analysis. The results came back yesterday, and those results are why I have been thinking fondly of Arthur Scargill's father.

Basically (Brian tells me) – basically, his analysis has flagged up some substantive problems in the communication area. It was at this stage only a ballpark assessment, at grass-roots level to boot, but we were basically talking a very anal word-use problem. A significant number of words and phrases that I used were either beyond the spell-check range; or else had long since passed their shelf-lifa. Among my sold words, Brian listed proselytise, sobriquet, hagiography, eponymous and solipsistic: words, ha said, which had no built-in reader friendliness, and failed even to convey any sexy ideas. Then he focused upon a couple of metaphors which showed that I had an Attitude problem.

"You describe someone running abont like an organ-grinder's monkey. Be honest: when did you last see an organ-grinder, let alone his monkey?

There was more of this: but you get the gist. On one or two points, I had to concede some justification to Brian, especially regarding the monkey (although if you ever have seen an organ-grinder's monkey, you will know how perfectly that image fits a sycophantic person); however, I was bound to refute his conclusion that my communication skills rated somewhere near zero. Flippantly, I scribbled the following note:

"Dear Brian. I will take a rain-check on that consultancy course, or possibly even put it on the back-burner. It will be a no-win situation and worst-case scenario for yours truly, with all those goalposts shifting so rapidly on the bottom line. It is a street down which I do not wish to be up and running. As ever,

Nigel."

That sbould shut him up. But what is one to do, in a world where the dictionary is despisad and rejected of men?

Enterprises such as Brian's are spawn of the desktop publishing age. We are continually reminded of the need for smart presentation, neat copy and tidy files. The activity of word-processing is copiously practised wherever you go. Bnt there are no signs whatsoever that people, generally, are becoming more deft in their handling of words; indeed, what strikes one most of all is the increasing poverty of expression within this copiousness. There is a mass of word-processing, bnt virtually none of what the Russians call "word-waaving" (*slovospletenive*). Try to think of any modern comedy that dapends for its merriment upon verbal wit, like *Love's Labour's Lost*: the answer is that there is none, because you can no longer depend npon an audience with the knowledge of etymology and associations that would make soch comedy possible.

This sounds more apocalyptic than it is intended: *Love's Labour's Lost* has never been one of Shakespeare's most-loved productions. Nor do I advocate the installation of Latin in the National Curriculum, although there is no doubt that what is commonly considered to be model English prose can only be written by someone familiar with Latin. No: all I would plead for is a revival of philology, or logophilia: a little love and care for words, and concern for meaning.

You do not need Latin to know the force of calling someone a "berk": but I think you ought to know that you are using an abbreviated form of rhyming slang as used in the trenches of the Great War, and therefore the props' force of calling someone a Berkeley Hunt.

What rankles with a logophile is not the existence of cliches: after all, they come and go (I think in the pipeline has flowed away), and they are useful when one is feeling tired or lazy.

It is rather the way in which cliches are used in documents, broadcasts, boardroom speeches – situations where their users ought to know better. There is no excuse for management consultants or Members of Parliament using the breathless Neanderthal slogans of the post-match changing-room.

And Brian's new enterprise deserves to collapse immediately.

But, of course, that is not how it goee. In a damocracy, the mass-communicators get ahead. Brian will make millions, while the best I can do is write little letters of protest every time I see compliment instead of complement. Caring for words has few but its own rewards, as Dr Johnson knew.

If old Mr Scargill is still alive and paying his daily devotions to the dictionary, I salute him. Stont recusants in the ballpark of mindless usage, we dictionary-readers must stick together.

Tea and biscuits on top of the Eiger

***Rebecca Stephens** climbed 'killer mountain' with 42 others of all races and ages*

SNOWFALL ON canvas. I had heard this sound long ago, and now again as I awoke slowly to the daunting reality that I was one of three sandwiched in a two-man tent, perched precariously on the summit of the Eiger.

Eight of us were camped on a ridge abont four feet wide witb sheer drop on one side and a snow cornice rising like a wave behind us. We were wrapped in impenetrable cloud. "Could be bere a while," said a companion. How long that while might last, we did not know.

The helicopter which was due to lift us off could only fly if it was clear. Thoughts turned to the fearsome mythology of this mountain renowned as the most dangerous in the Alps. It is called the "killer mountain" with reason.

Tha Eiger's history of deaths made the events of the previous day all the more remarkable. Last Saturday no fewer than 43 climbers – able and disabled, young and old, black, white and yellow – converged on the minuscule summit from the four points of the compass, all in the name of charity. Huddled in an unstable human mass, the cantious clipped safety harnesses securely to a rope; others, less cantious, or less aware, did not. A singla slip would have resulted in certain death. But all, except an enthusiastic few who preferred to climb down, were lifted to safety next day. A veteran Alpinist said: "The Eiger's never seen anything like it."

The ascent was the culmination of three years work by one of Britain's more visionary climbers, 47-year-old Edwin Drummond, a writer and poet. In Drummond's words, it was a "social climb of conscience" intanded to benefit the environment, human rights and the Third World. This four-sided ascent of the Eiger was the most ambitious of wide range of projects organised by Drummond's group, "Climb for the World."

Over tbe same weekend some 50,000 participants walked, climbed and scrambled up more modest peaks in the British Isles to raise money donated, via the UK United Nations Association, to projects in the developing world.

But in Switzerland that weekend our minds were concentrated on safety first. The Eiger is loose at the best of timea, but the weather recently had been warm and the mountain a pile of rubble. Already, Silvia FitzPatrik, a 27-year-old Argentinian, had been struck in the face by a rock fall on the notorious North Face.

Her bloody nose was firmly pictured in my mind as I set off to climb tha more benign western flank, a route labelled, rather irritatingly, by accomplished climbers, "the way down." Still, we had to take care. There were ten of us on this route – including a teenage Nepalesa and a blind man – at times, one vertically in line above another. A single misplaced foot caused the breath to beheld as rocks tumbled on those below.

Day one took us across an icefield and over a mass of crumbling grey rock to half-way camp pitched on a tiny ledge of levelled scree. In mountaineering the limited tent space invariably means one is sardined nose to toe with a bunch of complete strangers. I ended up with a doctor, and John Dove, the blind man.

"How on eartb do you manage? I asked. "I train in the gym," he said. "No, how do you see? How do you know where you're going?"

It seemed it was a matter of remembering where his hands had been to know where to place his feet. "I know a slip could be serious," he said, "but I just pnt it to the back of my mind." John was tidier, more able to manage in the confined space of a tent than anyone I knew. He snored sweetly that night, while I didn't sleep a wink, disturbed by the incessant wind.

It took just four hours the second day; a rewarding four bours along the crest of the North Face to the summit. The view was beyond comparison, over the knife-edge summit to empty glacial valleys of the purest while. We scraped ice from the summit crest and put on a brew in the tent pitched on the ledge was our bome for the night. Tea all round and chocolate – first for our western flank team, then Doug Scott – one of the first two British mountaineers to climb Everest, who today acted as guide for a small Tibetan boy on the Eiger's Mittellegi Ridge. Then for the Russians and the Czechs who took the long approach from the south. Within an hour the summit was packed; and then almost empty, as the last helicopter ferried all but nine of the the climbers bome.

Those of us who stayed, took a risk camping on the summit that night. The weather report was only fair, but the temptation of a long evening on a clear and beautiful Alpine peak was irresistible. Morning caine and our worst fears were realised. The weather had turned.

Wa were lucky, though. That afternoon, the cloud blew away just long enough for a helicopter to fly in and take us home. But the weather progressively worsened. Two eager young Dutchman had set off for the North Face that morning, and would spend the night on the bitter, exposed face.

Peak hours [illegible] atop the Eiger on a "social climb of conscience"